

## **ECONOMIC ENVIRONMENT**

### COURSE OUTLINE

#### **1. Introduction**

Economic Environment is an introductory course in economics. It develops an analytical framework to help you understand the environment in which firms operate.

#### **2. Objectives**

The goal of the course is to strengthen your economic intuition on issues such as price controls, taxes, unemployment, inflation, currency crises, causes of booms and recessions or deficits and debts. In addition, we will study how the government affects the economy through its different policies. At the end of the course, I expect that you will be able to critically assess how possible developments in the firm's market or in the world economy will affect the business environment.

#### **3. Learning Outcomes**

Distinguish and understand the implications of a demand versus a supply shock  
Understand the impact and who bears the burden of taxes  
Evaluate the consequences of monetary policy on key assets  
Understand the impact of fiscal policy  
Understand how exchange rates are determined and their implications for the economy and business

#### **4. Competences**

This course builds and reinforces the following competences:

- Students should possess and understand knowledge that provides the basis or opportunity for originality in the development and/or application of ideas, often in a research context.
- Students should know how to apply the knowledge acquired and their problem-solving capacity in new and little-known settings within broader (or multidisciplinary) contexts related to their area of study.
- Students should be able to integrate knowledge and deal with the complexity of making judgements based on information that is incomplete or limited, but

includes considerations of the social and ethical responsibilities linked to the application of the students' knowledge and judgements.

- Students should have the learning skills that enable them to continue studying in a largely self-directed, independent manner.
- Receiving and transmitting ideas effectively using the appropriate channel in the right moment and providing specific details to back up their observations and conclusions (Communication).
- Promoting an atmosphere of collaboration, communication and trust among team members (Teamwork).
- Strategically analyzing the value chain and the keys to the success of an industry or business. Having advanced knowledge of the different competitive strategies available, as well as the competitive contexts where they can be applied. Understanding a business's sustainable competitive advantages.
- Conceptualizing and developing sound business plans that can be presented to real investors.

## **5. Content and Methodology**

The course has two important characteristics: First, its emphasis is decisively international and the vast majority of examples and case studies will deal with the global economy. Second, this course is eminently practical; concepts and models will only be discussed to the extent that they have a direct bearing on the understanding of real life situations.

The course employs a combination of case discussions and lectures. The course is divided in four different modules. Module I is oriented to get a deep understanding of Microeconomics. Module II focuses on Macroeconomics, while Module III is about Monetary Policy. Module IV combines learnings of the three modules and applies these learnings to current global economic environment

## **6. Evaluation**

There is one midterm exam and a final exam. Practice problem sets will be posted on Global Campus and they will not be graded:

- Final Exam 50%
- Midterm Exam 20%
- Class Participation: 30%