



BUSINESS SCHOOL

Course Outline 2019
BUSADMIN 767:
BUSINESS ECONOMICS (15 POINTS)
Quarter 4 (1198)

Course prescription

Examines consumers, firms, markets, business cycles, behaviours, and policy formation from both micro- and macroeconomics perspectives in a managerial context.

Course advice

Restriction: BUSADMIN 777

Goals of the course

First, the course aims to provide a basic framework to help understand how contemporary economics explains dramatic events in the national and international economy. An important part of this explanation focuses on the role of confidence, expectations and crowd psychology. These factors result in aggregate behaviour (e.g., demand in the whole New Zealand economy) behaving in a different manner than would be suggested by simply studying individual behaviour. Without some form of coordination, individual behaviour can lead to inferior outcomes. This helps justify the need for good institutions and public policy to raise welfare in nations.

Second, the course discusses how the right kinds of public policies and institutions can be developed which focus the uncoordinated actions of individual households on good, rather than bad, overall outcomes. In some countries, legal, political, economic and social institutions are able to coordinate private actions on stable and productive paths. Where institutional development is weak - as seems to be the case in much of the developing world - private actions are poorly coordinated and the result is more macroeconomic volatility and slower growth. Understanding what constitute good policies and institutions and how they can be designed to influence economic and business behaviour in desirable directions is crucial.

Finally, the course is intended to develop a simple framework that can be used to evaluate how globalization is likely to change the performance of specific markets and thus assess the associated risks, opportunities and implications for public policy.

Learning outcomes (LO)

By the end of the course, it is expected that students will be able to:

#	Learning outcome	Graduate profile capability*
LO1	Appreciate how business, government and the global economy interact.	1. Disciplinary knowledge and practice.

#	Learning outcome	Graduate profile capability*
		2. Critical thinking
LO2	Make more informed managerial decisions by having a better understanding of the genesis of booms and busts, crises caused by internal or external shocks, and social and labour unrest.	1. Disciplinary knowledge and practice. 2. Critical thinking
LO3	Have a more coherent framework for analysing how economic policy is set by the public sector to influence macroeconomic phenomena.	1. Disciplinary knowledge and practice 3. Solution seeking
LO4	Enable you to enjoy a competitive advantage as a manager or business owner whilst acting in a socially responsible way.	3. Solution seeking 4. Communication and engagement 5. Independence and integrity 6. Social and environmental responsibility

* See the graduate profile this course belongs to at the end of this course outline.

Content outline

Week / Module	Topic	Relevant learning resources/activities	Assessment due this period
Week 1	Analytical Framework	Course-book	
Week 2	Institutions and causes of 'long run' economic performance	Course-book	
Week 3	The causes of 'short-run' business cycles	<i>Case Study: John Maynard Keynes: Life, Times and Writing</i> <i>Case Study: Fiscal policy: Managing Aggregate Demand</i>	
Week 4	The Central Bank and Inflation	Course-book	
Week 5	Markets vs Intervention	<i>Case Study: The Blair Wealth Project: Antecedents and Prospects</i>	Assignment 1
Week 6	Comparative Economic Systems	<i>Case Study: Inequality and the 'American Model'</i>	
Week 7	Globalization and Financial Crises	<i>Case Study: The Choice of Exchange Rate Regime</i>	

Week / Module	Topic	Relevant learning resources/activities	Assessment due this period
Week 8	Financial Crises and Contagion	Case Study: <i>Mexico: The Tequila Crisis 1994-1995</i>	Assignment 2
Week 9	Financial Crises and Contagion	Case Study: <i>Subprime Meltdown: American Housing and Global Financial Turmoil</i>	
Week 10	Revision and Lecture		
Week 11			Final Exam

Learning and teaching

Several of the initial classes are based around building an analytic framework to help understand how business, government and the global economy interact. Country level case studies from around the world form the basis of most of our evidence, although some statistical results are also discussed.

Our classes will meet from 5:30-8:30pm. Class time will be used for a combination of teaching and discussions of the case studies. In addition to attending classes, students should spend around four hours per week reading the case studies before we meet, and be prepared to answer questions on them. It is essential to have gone through the material before each session to ensure lively class discussion and quality debate.

The core disciplines which we draw upon are economics and political science. All required materials can be found in the course-book and on CANVAS. Feedback will be sought throughout – informally, via evaluation, and student representatives. You can contact me anytime via email and we can talk by phone, or meet up in my office.

Teaching staff

Robert MacCulloch
 Matthew S. Abel Professor of Macroeconomics
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Learning resources

All required materials are contained in a course-book which will be handed to you at the start of the first class. The textbook, Macroeconomics, by Greg Mankiw, Latest Edition, Worth Publishers, is recommended if you wish to do further background reading on the topics that we cover. It is not required although I will link each topic to its corresponding chapter in the book. You may like to have this book as a reference after the course has finished should you wish to learn more about the subject.

Before starting, you may like to read Global Economic History: A Very Short Introduction, Oxford University Press, by Robert Allen (2011).

The following Harvard Business School case studies comprise the core required readings:

John Maynard Keynes: Life, Times and Writing

Fiscal policy: Managing Aggregate Demand

The Blair Wealth Project: Antecedents and Prospects

Inequality and the 'American Model'

The Choice of Exchange Rate Regime

Mexico: The Tequila Crisis 1994-1995

Subprime Meltdown: American Housing and Global Financial Turmoil

Assessment information

Assessment task	Weight %	Group and/or individual	Submission
Assignment 1	18	Individual	Type or hand written, submitted via CANVAS
Assignment 2	27	Individual	Type or hand written, submitted via CANVAS
In-class participation	5	Individual	
Final Exam	50	Individual	Hand-written hard copy

Pass requirements

To pass the course, a mark of over 50% is required on the aggregate of all the assessments. Students are expected to prepare before coming along, attend all classes, participate in discussions and debates, and submit assignments on time.

Description of assessment tasks

Assessment task	Learning outcome to be assessed
Assignment 1	L01, L03
Assignment 2	L01, L02, L03
In-class participation	L01, L02, L03, L04
Final Exam	L01, L03

Inclusive learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the courses convenor/lecturer and/or tutor.

Academic integrity

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic offence. The work that a student submits for grading must be the student's own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the worldwide web. A student's assessed work may be reviewed against electronic source material using computerised detection to provide an electronic version of their work for computerised review.

Student feedback

The University of Auckland evaluates the quality of teaching and of courses by using the Summative Evaluation Tool, or SET. Summative evaluation is formal, summative evaluation of teaching undertaken according to University policy and is conducted at the end of a semester/quarter through the use of the formal University SET instruments. Summative evaluation is used by teachers to reflect on their teaching practice, and is also used by the University for quality assurance of teaching and courses.

In the event of an unexpected disruption

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions, the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies, In the event of a disruption, the University and your course coordinators will make every effort to provide you with up to date information via Canvas and the University website.

Graduate profile for Postgraduate Diploma in Business

The following six themes represent the capabilities that the Business School seeks to foster in all of its graduates. The development of these capabilities does not come all at once, but rather is expected to build from year to year. Each course is not expected to contribute to all capabilities, but each course will have its own goals and learning outcomes that relate to the overall development of this profile.

Graduate Profile	
1. Disciplinary knowledge and practice	Graduates will be able to demonstrate advanced knowledge of general management theory and apply this effectively in a range of contexts.
2. Critical thinking	Graduates will be able to effectively evaluate and synthesise evidence from multiple sources to develop coherent and evidence-based arguments.
3. Solution seeking	Graduates will be able to frame and analyse complex problems, develop practical solutions, and understand the impact and implications of planned implementation.
4. Communication and engagement	Graduates will be able to work effectively in teams and engage varied audiences by communicating professionally using multiple formats.
5. Independence and integrity	Graduates will be able to engage in independent and ethical decision-making and behaviour, demonstrating self-reflection and self-management in complex and ambiguous situations.
6. Social and environmental responsibility	

Graduate Profile

Graduates will recognise, in relation to their field, the potential significance of the principles underpinning the Treaty of Waitangi and sustainability, and demonstrate capability to shape business practice accordingly where appropriate.