240EO312 - World Economy

Coordinating unit: 240 - ETSEIB - Barcelona School of Industrial Engineering
Teaching unit: 732 - OE - Department of Management
Academic year: 2019
Degree: MASTER'S DEGREE IN MANAGEMENT ENGINEERING (Syllabus 2012). (Teaching unit Optional) MASTER'S DEGREE IN INDUSTRIAL ENGINEERING (Syllabus 2014). (Teaching unit Optional)
ECTS credits: 3 Teaching languages: English

Teaching staff
Coordinator: Lucas van Wunnik

Opening hours
Timetable: Friday: 16:00 - 17:00 (Departament d'Organització d'Empreses - 7th floor ETSEIB)

Prior skills
In order to follow this course it is important that the student has some previous knowledge in principles of economics (production possibility frontier, supply and demand, GDP, etc...).

Degree competences to which the subject contributes

Generical:
1. Learn and master the analytical tools necessary for decision making in the organizational context more efficient.

Transversal:
2. FOREIGN LANGUAGE: Achieving a level of spoken and written proficiency in a foreign language, preferably English, that meets the needs of the profession and the labour market.
3. TEAMWORK: Being able to work in an interdisciplinary team, whether as a member or as a leader, with the aim of contributing to projects pragmatically and responsibly and making commitments in view of the resources that are available.
4. EFFECTIVE USE OF INFORMATION RESOURCES: Managing the acquisition, structuring, analysis and display of data and information in the chosen area of specialisation and critically assessing the results obtained.
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Teaching methodology

1. Teaching

Each lecture of the course includes the presentation of a theoretical tool (concept, model) and the application of the theory (i.e. the use of the theoretical tool of the lecture to analyse current or historical events). In this way, we pretend (1) that the student perceives the usefulness of the presented tool, and (2) that she/he can interpret effectively economic news and data.

In order to obtain the student's grade we will consider:

- His/her participation in class,
- The quality of his/her assignments (oral presentation in class and written report) related to economic topics,
- The solved exercises delivered by the student,
- His/her final exam at the end of the semester.

The different sets of problems, the guidelines to carry out classroom presentations, the schedule of the delivery of the sets of problems and the realisation of the classroom presentations will be posted on Atenea (intranet).

2. Activity outside the classroom

- Prepare the classroom presentation of the economics topic.
- Solve the sets of problems.
- Study the content related to what is taught in the classroom (solve problems and exercises, read the recommended chapters of the suggested textbook (see bibliography) and read the suggested complementary literature, etc.).

Learning objectives of the subject

The general objective of the course is to provide students with some basic tools to begin to understand some questions related to topics regarding to World Economy (determinants of long-run economic growth, why poor countries are poor, international trade and international trade policy).

Once this course is finished, the student:

1. Should have a basic vocabulary related to (1) long-run economic growth (GDP, current account balance, productivity, determinants of productivity and long-run economic growth...) and international trade (terms of trade, comparative advantage, absolute advantage, tariffs, quotas, etc.)
2. Should be able to solve problems and exercises of GDP, long-run economic growth and international trade.
3. Should be able to analyse and interpret events and policy proposals of international economics with the theoretical tools provided.
4. Should have assimilated the arguments of the experts about the determinants of long-run economic growth.
5. Should have assimilated the arguments of the experts who advocate free international trade and those who favour a certain level of protectionism.

Study load

<table>
<thead>
<tr>
<th>Total learning time: 75h</th>
<th>Hours large group:</th>
<th>27h</th>
<th>36.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Self study:</td>
<td>48h</td>
<td>64.00%</td>
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</table>
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### Content

<table>
<thead>
<tr>
<th>1. GDP, growth &amp; development</th>
<th>Learning time: 35h</th>
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<tbody>
<tr>
<td></td>
<td>Theory classes: 14h</td>
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<tr>
<td></td>
<td>Self study: 21h</td>
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**Description:**
- Reminder: GDP, economic growth and GDP per capita in US$ PPP
- Is GDP per capita a good measure of well-being?
- Long-run economic growth
- Growth vs. development

<table>
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<tr>
<th>2. International trade: theory and policy</th>
<th>Learning time: 35h</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Theory classes: 14h</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Description:**
- International trade theory:
  - Comparative advantage and international trade
  - Economies of scale, imperfect competition and international trade
- International trade policy:
  - Trade policy instruments (tariffs, quotas, etc.).
  - Modelling of the effect of a tariff or a quota with the graph of supply and demand.
  - "Free trade vs. protectionism" debate: the arguments.

**Related activities:**
1, 2, 3, 4

### Qualification system

For the evaluation of the student it will be considered:

- Resolution of the sets of problems, classroom participation.
- Classroom presentation and written report (2).
- The final exam.

- Report & presentation 1 (common & individual mark): 20%
- Report & presentation 2 (common & individual mark): 20%
- Sets of problems / participation in class: 10%
- Final exam: 50%

**RETAKE EXAM**

The student who does not pass the course will have the opportunity to do a retake exam (of the final exam) which represents 50% of the final grade of the course (i.e. only 50% of the final grade can be reevaluated). This exam will take place at the date proposed by the school.
Regulations for carrying out activities

For the final exam the student may use individual material of support: calculator (no mobile phones), books and notes.

Bibliography

Basic:


Others resources:
- Slides used by the teacher (in atenea)
- Guidelines for oral presentations
- Texts to comment or that may help to understand more thoroughly the material seen in class (in atenea)
- Solved exercises / problems (in atenea)