

Macroeconomics and Geopolitics

Introduction

This course combines economic theory and current events to help managers to improve their understanding of the business environment and their decision making. Its main purpose is to foster the habit of analyzing current economic issues within a rigorous framework. The main macroeconomic tools that we study are the macroeconomic accounting framework and simplified versions of the theories that help us to understand growth, business cycles, fiscal policy, labor market policy, international trade, and exchange rate policy.

Objectives

The main objective of this course is to develop the capability to assess critically any economic issue that affects the global business environment and its impacts on countries, sectors, and firms. You should be able to form a first business judgment of any economic issue that concerns you or your company, identify the opportunities and risks that it creates, and design contingent action plans accordingly.

Learning Outcomes

RA12. Equip students with learning skills that enable them to continue studying independently and self-directedly.

RA1. Possess and comprehend knowledge that provides a basis or opportunity to generate original ideas in the development and application of concepts, often within a research context.

RA19. Enable students to apply acquired knowledge and solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study.

RA11. Enable students to integrate knowledge and address the complexity of making judgments based on incomplete or limited information, including reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.

RA20. Enable students to communicate their conclusions, along with the knowledge and rationale supporting them, to both specialized and non-specialized audiences clearly and unambiguously.

RA21. Listen, understand, and compare differing viewpoints to develop an objective understanding of a business situation. Communicate in a structured and persuasive manner (Interpersonal communication).

RA13. Work effectively in multicultural teams, assuming project leadership when necessary. Integrate the value of diversity into the team's decision-making and work process (Multicultural teamwork skills).

RA14. Critically evaluate information and the context of a business situation to reach prudent decision-making conclusions (Critical thinking).

RA22. Acquire self-knowledge and self-control necessary to work effectively under pressure in professional environments, understanding others' motivations and the corporate culture (Emotional intelligence).

RA2. Apply well-established ethical criteria in business decision-making, respecting the inherent dignity of each individual and the pursuit of the common good. (Integrity)

RA15. Develop a proactive mindset open to organizational change to design and promote process improvement initiatives and facilitate adaptability to new organizational cultures (Innovative spirit).

RA3. Identify relevant data to diagnose a business problem and generate sensible decision alternatives.

RA5. Model the impact of the global macroeconomic and industry-specific microeconomic environment on concrete business activities to formulate action plans for adapting to these contexts in uncertain conditions.

RA17. Manage multidisciplinary approaches for the definition of products and services aimed at strengthening their commercialization (Business development).

Content

- Macroeconomics and Business
- Macroeconomics: Data Sources, Trends, and Fluctuations
- The Basic Macroeconomic Model
- Gross Domestic Product
- Macroeconomic Accounting
- The Public Sector
- Fiscal Policy
- Pensions and Saving for Retirement
- The Labor Market
- Money, Cryptocurrencies, and Banking
- Price Indexes and Inflation
- Interest Rates and Monetary Policy
- International Trade and Trade Policy
- Exchange Rates and Exchange Rate Policy
- The European Union and the Euro

Instructional Activities

AF1: Training sessions and meetings with the teacher (classes, seminars, lectures, tutorials, company visits, simulations): 15hrs

AF2: Individual student work (personal study, preparation of assignments): 35hrs

AF3: Teamwork (preparation of group assignments and execution of simulations): 8hrs

AF4: Evaluation tests: 2hrs

Evaluation

–Technical Grade: 90%

To calculate this grade you will be asked to choose one of the following two options

(a) average of best (n–1) quizzes, or (b) final exam

–Participation Grade: 10%

The IESE Business School's Honor Code and Learning Partnership apply to all activities in this course. For individual assignments, unless explicitly stated, you should not interact with

anyone else. For deliverables to be done in teams you should interact only with the members of your team.