

**Sarla Anil Modi School of Economics
Summer School - 2018**

Summer School for Undergraduate and Post graduate students

Duration: (14th May to 19th May 2018)

Name: Understanding Economics –A Practical Approach

Session I: Global Economics

Faculty: Prof. Nahid Fatema

Time: 9.30am to 10:30am

Course Objective:

This course is designed to give insight into the enormous differences in economic environments faced by economies around the world: Why the GDP in the United States differs from that in (say) France, India, or Mexico. We will view the world through the lens of open economy macroeconomics, policies of countries and interactions among them. We will use it to study issues such as economic growth (Why are some countries more productive than others?), business cycles (booms and recessions), history behind dollar being the reserve currency, modern wars fought by imposing tariff and non-tariff barriers, international trade and the role of IMF and World Bank across the globe.

Session Details:

1. Economic Growth: Why are some countries more productive than the others?

- Defining 'rich' and 'poor' countries.
- Discussion on the importance of economic growth and development.
- Examining the components of economic growth: physical and human capital

Pedagogy: Short clips and newspaper articles. Introduction to basic growth concepts through classroom discussion.

2. Globalization: Who trades with whom? Why? Since when?

- Why is international trade different from other kinds of buying and selling
- The nature of modern day trade: global dispersion of production process
- Economic crisis and its impact on trade. (GEC of 2008)

Pedagogy: case study and class discussion.

3. Reserve currency: Implication of dollar as the vehicle currency.

- The interwar experience.
- Why is dollar used for trade between India and Japan?
- Dollar as a reserve currency and Emergence of Euro as its competition.

Pedagogy: video clips and using real world example to explain the concept.

4. Modern wars: Tariff and Non-tariff barriers

- Why do nations impose tariff if free trade is good for all?
- Trade war among nations: Case study of banana war.
- Sanctions.

Pedagogy: Empirical evidence of barriers to trade among nations. Case studies.

5. International Organisations:

- Establishment of WTO and its role in Fair Trade Practices.
- Role of IMF and World Bank.
- Conditionality clause.

Pedagogy: video clips, articles and class discussion.

6. Economy and the Environment: Is there a trade-off?
 - Pollution and economic activity
 - Sustainable development

Pedagogy: Summarizing empirical evidence on the relationship between growth and pollution through videos or other visual aids. Discussion on international initiatives to ensure sustainable development.

Session II: ABC of Open Economy Macroeconomic Policy

Faculty: Dr Rohit Muraleedharan

Time: 10.40am to 11.40am

Course Objective:

The global economy is undergoing a transition phase, where various components are taking a path not foreseen. The advanced economies, which thought to have come out of business cycle fluctuation risk, are going through one of the longest recessions in the post war era, and some of the fast growing emerging market economies are seen as beacons of stability. Macroeconomic policies have taken a very crucial role in all the economies and this course would help you in better understanding the unfolding story of the emerging global order.

Session Details:

Fiscal and Monetary policy in an open economy – components and mechanism of fiscal and monetary policy, capital account mobility.

Fiscal deficit, inflation and exchange rate dynamics.

Money and capital market in an open economy – dynamics of short-term and long-term funds market in an open economy.

Crisis – Multi-national banking institutions, complex financial products, contagion, Greek debt crisis.

Policy making in the post GFC era – recommendation by various committees, Basel norms, counter-cyclical policy.

Session III: Data Analysis for Social Sciences

Faculty: Prof. Kiran Limaye

Time: 12.00pm to 1.30pm

Objectives:

Evidence is the ultimate test for any explanation. Fortunately, we are living in a time when evidence for human behaviour is not difficult to get by. The objective of the course is to develop a broad picture using intuitive data analysis.

Session Details:

This course will use publicly accessible data sources and study some important questions in our socio-economic lives. The questions studied would be about non-cash payment modes, farmers' suicides, marital outcomes, and cost of cultivation.