



## 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.

### Competences

#### Basic Competences

- CB6. Possess and understand knowledge that provides a basis or opportunity to be original in the development and / or application of ideas, often in a research context.
- CB7. The students know how to apply the knowledge acquired and their ability to solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study.
- CB8. The students can integrate knowledge and face the complexity of formulating judgments based on information that, being incomplete or limited, includes reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.
- CB9. Students know how to communicate their conclusions and the knowledge and ultimate reasons that support them to specialized and non-specialized audiences in a clear and unambiguous way.
- CB10. Students possess the learning skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

#### General Competences

- CG1 - Listen, understand, and contrast the points of view of others to make an objective composition of a business situation. Communicate in a structured and persuasive way. (Interpersonal communication).
- CG2 - Work effectively in multicultural teams, assuming the leadership of a project when required. Integrate the value of diversity in the decision process and teamwork. (Ability to work in multicultural teams).
- CG3 - Critically evaluate the information and the context of a business situation to reach its own conclusions for making prudential decisions. (Critical thinking).
- CG4 - Acquire the self-knowledge and self-control necessary to work effectively in professional environments under pressure, understanding the motivations of others and the culture of the company. (Emotional intelligence).
- CG5 - Apply proven ethical criteria in making business decisions, respecting the intrinsic dignity of each person and the achievement of the common good. (Integrity).
- CG6 - Develop a proactive and open mindset to organizational change in order to design and promote process improvement initiatives and facilitate one's ability to adapt to new organizational cultures. (Innovative spirit).

### Specific Competences

- CE01 - Identify the relevant data to diagnose a business problem and generate sensible decision alternatives.
- CE06 - Model the impact of the global macroeconomic and microeconomic environment of each industry on activities specific business ventures in order to develop action plans to adapt to these environments in a context of uncertainty.
- CE11 - Manage in a multidisciplinary manner for the definition of products and services, aimed at reinforcing 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

### 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.