



Preface

This book is offered as a flexible resource for instructors teaching economics courses in business education programs. The project was originally designed around the typical one-semester MBA core course, covering both microeconomic and macroeconomic topics. However, it has evolved to the point where, with an appropriate choice of material among the different chapters and appendices, we feel it will be suitable for a wide variety of other offerings including, for example, one-semester macroeconomics courses at the undergraduate or graduate level, one-semester microeconomics courses, executive development programs, and a number of different six-week “mini-courses”. We make some suggestions about different potential course structures below.

Traditionally, one of the main problems with textbook selection for courses in business programs is that although prospective business decision-makers clearly do need a sophisticated understanding of economic principles and problems to manage effectively, most are not intending to become professional economists, and certainly not academic economists. Yet most of the textbooks on the market are written in an encyclopedic fashion, as if the audience consisted entirely of future professors. We have tried hard to avoid this trap (though it must be admitted that the second edition has “grown” quite a bit in response to “market demand”). A second problem, we feel, is the tone of many of the existing textbooks. The typical business student is *already* a savvy professional in her or his own field, or very soon will be. They require an approach that is more in the nature of a manual or a guidebook than a pedagogical exercise, and this is what we have tried to provide. The book is specifically designed for use in business programs, to provide balanced coverage of topics in microeconomics, macroeconomics, and international economics. The end-of-chapter summaries provide a series of “practical take-aways” from the point of view of the businessperson.

An important feature of this book is that it is a “global book”, not only in terms of topic coverage, as we take an international perspective throughout, but also in that we do not focus on the institutional specifics of any one political jurisdiction. Rather we intend the book to be equally useful to decision-makers in a variety of international contexts around the world. One of the byproducts of globalization is that, in the modern world, similar issues and topics tend to arise, and close analogies in terms of policy-making institutions will be in place, to some extent regardless of geographical location. One way in which the individual instructor can add value and customize the course offering is by discussing specific local institutions and how they correspond to the generic examples discussed in the text.

We have added 23 case studies (numbered 1–23) in the form of mock newspaper articles or press releases, usually set in some future time period and with fictional companies and individuals. Obviously, we have no way of knowing whether or not the scenarios depicted will come to pass, nor do we necessarily agree or disagree with the imaginary viewpoints presented.

There are three or four points made in each case that are relevant to the course material, and in class discussion the objective is simply to identify each of the points being made. In our own teaching, we supplement this material with similar articles from current newspapers or websites that are relevant to our own students, and carry out the same exercise. We imagine that other instructors will wish to do the same.

In this second edition we have also added two new “real world” case studies:

- A. The Baranti Group case study: added as an Appendix to Chapter 6.
- B. The Caterpillar case study. This case is presented at the end of the book but can be used, if the instructor wishes, in most chapters. For students/instructors using this case, we have provided study questions and hints at the end of each relevant chapter.

As with the cases, we have also “constructed” the various data sets that are presented. These refer to a fictitious economy and, again, are set in a future time period (as of the time of writing). As instructors in this day and age of the internet, we think there is little point in a textbook struggling to maintain a facade of being “up to date” by presenting numbers relating to (say) a year or two years before the time of publication (and perhaps several years prior to the time the student is actually using the book). This is a waste of time in a world in which the very latest numbers are always available at a keystroke. The focus in this book is on preparing the manager to process and analyze similar data when encountered in the real world, rather than to record any specific historical time period. Instructors will find that an important valued-added exercise in class is to access the current data relevant to their own group of students, and show how this compares to the material in the text.

When new or unfamiliar concepts are introduced for the first time, they appear in boldface. They are usually explained close by in the text. We have not provided a formal glossary, but students can search the internet for further information.

Answers to the end-of-chapter problems and a resource package for instructors containing useful teaching aids, such as PowerPoint presentations for class lectures, are available for download.

Alternative Course Structures

In what follows we propose some *suggested* course structures for a variety of different purposes for which the book might be used. No doubt instructors will customize according to their own syllabus, and will find the material sufficiently flexible to be able to do this.

Preface

A one-semester micro/macro course (e.g., the MBA core course)

chs.: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 14

A one-semester course (macro-based)

chs.: 1, 8, 9, 10, 11, 12, 13, 14

appendices: 3, 8, 9, 11, 12

A one-semester course (micro-based)

chs.: 1, 2, 3, 4, 5, 6, 7, 14

appendices: 3, 8

Executive development

chs.: 2, 6, 7, 8, 14, 10 (part), 12 (part)

Mini course (macro)

chs.: 8, 9, 10, 11, 12, 14

Mini course (micro)

chs.: 2, 3, 4, 5, 6, 7

Some Useful Websites

Below there are some web addresses that students and instructors might find useful for accessing data, etc. We have focused on some former G7 countries plus China and India (two rapidly developing nations with very large populations), and on international organizations. The latter have data for most other countries, and it is a simple matter to search for comparable sites in each national jurisdiction.

Central Banks

Bank of Canada

<http://www.bankofcanada.ca>

Bank of England

<http://www.bankofengland.co.uk>

Bank of Japan

<http://www.boj.or.jp>

European Central Bank

<http://www.ecb.int>

Federal Reserve Board

<http://federalreserve.gov>

People's Bank of China

<http://pbc.gov.cn>

Reserve Bank of India

<http://www.rbi.org.in/>

International Organizations

International Monetary Fund

<http://imf.org>

OECD	http://www.oecd.org
The World Bank	http://www.worldbank.org
World Trade Organization	http://www.wto.org
UN Economic and Social Council (ECOSOC)	http://www.un.org/docs/ecoso

Ministries of Finance

Canada	http://www.fin.gc.ca
China	http://www.mof.gov.cn
France	http://www.finances.gouv.fr
Germany	http://www.bundesfinanzministerium.de
Italy	http://www.tesoro.it
India	http://www.finmin.nic.in
Japan	http://www.mof.go.jp
UK	http://www.hm-treasury.gov.uk
USA	http://www.treas.gov

Statistical Agencies

Bureau of Economic Analysis (USA)	http://www.bea.gov
Eurostat	http://epp.eurostat.cec.eu.int
Statistics Canada	http://www.statcan.ca
UK Official Statistics	http://www.statistics.gov.uk

We wish to thank all of our colleagues in the Economics Area at the Schulich School of Business for their invaluable assistance in the preparation of this second edition.

We want to acknowledge the special contribution of Farrokh Zandi for providing material for the Appendices to Chapters 4 and 5.