

## ABSE402 - Contemporary Economic Issues

Course Title	<b>Contemporary Economic Issues</b>			
Course Code	<b>ABSE 402</b>			
Course Type	<b>Business Elective</b>			
Level	<b>BSc (Level 1)</b>			
Year / Semester	<b>7<sup>th</sup> / Fall</b>			
Teacher's Name	<b>Dr. Petia Tanova</b>			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	<p>The course builds on the principles obtained in the previous modules in Microeconomic and Macroeconomic analysis. It aims to sharpen students' analytical and methodological skills in confronting contemporary global and regional economic issues and policy decisions based on a thorough understanding of economic environment faced by individuals, firms and governments. In particular it focusses on building students' ability to evaluate the effectiveness of different approaches to economic issues, and arrive at their own points of view, assembling information and data to support those points of view.</p> <p>A major objective of the course is to help students develop systematic, critical and independent thinking on the current economic developments, assembling information and empirical evidence to argument their views.</p>			
Learning Outcomes	<p>Upon the successful completion of this course, students will be able to:</p> <ol style="list-style-type: none"> <li>1. Categorize the most acute contemporary economic problems and discuss their sources.</li> <li>2. Examine the nature of globalization and confront the opposing views on its impact on welfare.</li> <li>3. Critically assess the role of institutions in the world economy and their constraints.</li> <li>4. Compare and contrast different theoretical approaches to the contemporary financial crisis and the recession in the real sector.</li> <li>5. Debate the merits and drawbacks of the European Monetary Union from the current sovereign debt crisis.</li> <li>6. Realize the nature of macroeconomic imbalances and their significance during the current economic turbulences.</li> <li>7. Critically assess the financial and structural crisis in Cyprus in the current decade.</li> <li>8. Discuss the appropriateness of policies to handle the crisis and assess their effectiveness</li> </ol>			

	<p>9. Debate the Brexit case and its possible consequences.</p> <p>10. Evaluate the effectiveness of different approaches to current economic problems in Cyprus and globally, and arrive at a consistent personal point of view, assembling information and data to support it.</p>		
Prerequisites	<b>ABSE203, ABSE204</b>	Corequisites	<b>None</b>
Course Content	<p><i>The nature of the course predetermines the indicative character of its content.</i></p> <p><b><i>I. Globalization and the world economic order</i></b></p> <p>Examine the nature of globalization based on theoretical analysis and empirical evidence. Identify technological, institutional and structural changes in the world economy as attributes of globalization</p> <p>Confront opposing views on globalization and its nature and welfare outcomes: Why globalization works (M. Wolf) vs. Globalization and its discontents (J.Stiglitz).</p> <p>Critically assess the rules of the world economic order, established in the second half of the 20<sup>th</sup> century and their constraints and failures in the 21<sup>st</sup> century.</p> <p>Examine the objectives, function and potential of the IMF, the World bank, G-7, G-20.</p> <p>Discuss different approaches to the establishment of new rules of the world economic order.</p> <p>Examine the controversies of sustainable development.</p> <p>Debate the problem of deepening income and wealth inequality in the recent decade based on its quantification and empirical evidence.</p> <p><b><i>II. The World’s financial crisis and the recession in the real sector</i></b></p> <p>Examine the key features of the world’s financial crisis. Discuss the main points forwarded in the documentary “Inside job”.</p> <p>Outline the main features of the crisis in the real sector. Examine key indications of the crisis in the world economy and in chosen countries.</p> <p>Critically assess financial and institutional solutions, offered in the EU and in the US.</p>		

	<p>Discuss the imperatives and alternatives of the world economic recovery and growth.</p> <p><b>III. The EU: Multiple European Problems and Challenges</b></p> <p>Identify the main attributes of the single European market and discuss its problems and challenges.</p> <p>Examine the controversies of technological, structural and institutional changes in the EU and their impact on regional and national level.</p> <p>Distinguish between short term and long term economic problems and challenges of the EU.</p> <p>Critically assess the achievements of the Lisbon Agenda from the perspective of their goals, tools and empirical evidence.</p> <p>Familiarize with the goals and tools of Europe 2020 in a teamwork presentation and discussion</p> <p>Analyze the merits and drawbacks of the European Monetary Union.</p> <p>Examine the current sovereign debt crisis and the controversies of policies to handle it based on theoretical analysis and empirical evidence.</p> <p>Discuss the main characteristics of the “Greek crisis” and analyze the challenges for the eurozone.</p> <p>Debate the crucial constrains on Brexit, its imperatives and alternatives from the perspective of its impact on the UK economy, on the world economy, on the EU and on Cyprus.</p> <p><b>IV. Current Economic Problems of the Republic of Cyprus</b></p> <p>Discuss the impact of the world crisis on the economy of Cyprus and the dimensions of the cyclical fluctuations.</p> <p>Outline and analyze the features of the financial crisis and the macroeconomic imbalances.</p> <p>Examine the impact of different factors on the crisis in the financial and the real sector based on theoretical findings and empirical evidence</p> <p>Debate the imperatives and alternatives for economic restructuring.</p> <p>Discuss the main attributes of the current economic recovery and growth</p> <p>Analyze the dimensions of the NPL crisis and assess the potential of different solutions.</p> <p>Discuss other issues of the day</p> <p>Examine the potential and controversies of the social market economy and its achievements in the context of the recent economic crisis.</p>
Teaching Methodology	The taught part of course is delivered to the students by means of <i>ex cathedra</i> lectures and discussions in class, by means of traditional tools and using computer demonstrations and documentaries. The instructor relates current

	<p>events with the material presented in the lectures. During the lectures students are encouraged to participate in discussions.</p> <p>Some of the key issues are revealed on the basis of simulation games. Role playing and teamwork are incorporated in the simulations.</p> <p>Auditory exercises, where examples regarding matter represented at the lectures, are solved and further questions related to particular open-ended topic issues are compiled by the students and answered, during the lecture or assigned as homework.</p> <p>Topic notes are compiled by students, during the lecture. Lecture notes, slide shows and documentaries can also be downloaded from the lecturer's webpage. Tutorial problems are submitted as homework and these are solved during lectures or privately during lecturer's office hours.</p> <p>Further literature search is encouraged by assigning students to identify a specific problem related to some issue, gather relevant scientific information about how others have addressed the problem and report this information in written or orally.</p> <p>Students' teams (of two or three individuals) are assigned to study a current economic problem, related to the course subject, and approved by the instructor. The teams are expected to prepare and present in classroom a position paper. The purpose of the group project has to do with the development of skills in presentation as well as defending the thesis and answering questions with sharpness, discipline and professionalism. The position paper is presented in a debate format in class and the audience is required to articulate questions to the team presenting the issue. The position paper must be uploaded on the website of the course to be assessed against plagiarism.</p>
<p>Bibliography</p>	<p><b>(a) <u>Textbooks:</u></b></p> <p><b>Due to the nature of the course, there is not a single textbook to be recommended.</b></p> <p>Begg, D., Global Economics: Contemporary Issues, McGraw Hill Education (latest available edition)</p> <p><b>(b) <u>References:</u></b></p> <ul style="list-style-type: none"> <li>• Bonello F. J. and I. Lobo, Taking Sides: Clashing Views on Economic Issues. McGraw-Hill (latest edition)</li> <li>• Edgmand, M., Moomaw, R., Oslow, K., Economics and Contemporary Issues – Barnes &amp; Noble (latest available edition)</li> <li>• Levitt, S.D. and Dubner, S.J., Freakonomics: A Rogue Economist Explores the Hidden Side of Everything, Penguin, (latest available edition)</li> <li>• Sen A. Development as Freedom. Oxford University Press: 1999</li> <li>• Wolf M. Why Globalization Works. Yale University Press: 2004</li> </ul>

	<ul style="list-style-type: none"> <li>• Stiglitz J. Globalization and its Discontents, W.W.Norton &amp; Company: 2002.</li> <li>• Current Publications of the EC, the WB, the WTO, and the IMF.</li> <li>• Tanova P. “Post Crisis Cyprus and Warnings to its Social Model” Science and Business: Development Ways 2018, Vol. 4 (82)</li> <li>• Tanova P. and J. Violaris. Economic and Institutional Reflections on the Greek Crisis. 3<sup>rd</sup> International Conference: <b>The Economies of Balkan and Eastern Europe Countries in the Changed World</b></li> <li>• Tanova P. European Austerity Policies’ Constraints and Controversies under the Social Market Economy – the Case of Cyprus. 4<sup>th</sup> International Conference: <b>The Economies of Balkan and Eastern Europe Countries in the Changed World</b></li> </ul>										
Assessment	<p><b>(i) Methods:</b></p> <p>Students are assessed with coursework that involves homework assignments and class participation, two written quizzes, a midterm and a final exam. The assessment involves explaining theoretical concepts, examining real life situations, solving numerical problems and applying graphical analysis.</p> <p>Students are assessed continuously and their knowledge is checked through tests with their assessment weight, date and time being set at the beginning of the semester via the course syllabus.</p> <p>Students are prepared for final exam, by revision on the matter taught, problem solving and concept testing and are trained to be able to deal with time constraints and revision timetable.</p> <p><b>Grading Criteria for Position Paper</b></p> <table border="1" data-bbox="488 1234 1489 1675"> <tr> <td>Clear grasp of the topic to be presented and clear and complete presentation of authors’ views</td> <td>20%</td> </tr> <tr> <td>Appropriate analysis, evaluation and synthesis on issues, economic terms, concepts etc.</td> <td>20%</td> </tr> <tr> <td>Demonstrated ability to employ economic terms, and concepts</td> <td>20%</td> </tr> <tr> <td>Justification of your views and logical flow of responses on questions and issues to be raised during the presentation</td> <td>40%</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td>100%</td> </tr> </table> <p>The final assessment of the students is formative and cumulative and is assured to comply with the subject’s expected learning outcomes and the quality of the course.</p> <p><b>(i) Criteria:</b></p>	Clear grasp of the topic to be presented and clear and complete presentation of authors’ views	20%	Appropriate analysis, evaluation and synthesis on issues, economic terms, concepts etc.	20%	Demonstrated ability to employ economic terms, and concepts	20%	Justification of your views and logical flow of responses on questions and issues to be raised during the presentation	40%	TOTAL	100%
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	<p>The assessment criteria can be generalized as follows concerning the area assessed:</p> <ul style="list-style-type: none"> <li>• 86% or more – Excellent application of problem solving skills.</li> <li>• 76%-85% - Very good application of problem solving skills.</li> <li>• 66%-75% - Good application of problem solving skills.</li> <li>• 56%-65% - Satisfactory with some success in applying problem solving skills</li> <li>• 50%-55% -Satisfactory with limited success in applying problem solving skills</li> <li>• Below 50% -Little or no application of problem solving skills.</li> </ul> <p>Assessment criteria are available in each written assignment, midterm or in the final exam.</p> <p><b><u>(c) Weights:</u></b></p> <table> <tr> <td>Position Paper &amp; Presentation</td> <td>10%</td> </tr> <tr> <td>Midterm exam</td> <td>20%</td> </tr> <tr> <td>Attendance and Participation</td> <td>10%</td> </tr> <tr> <td>Final Exam (Open book)</td> <td>60%</td> </tr> </table>	Position Paper & Presentation	10%	Midterm exam	20%	Attendance and Participation	10%	Final Exam (Open book)	60%
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Language	<b>English language</b>								