

## **Course Outline**

### **EE 302 World Economic History**

<b>Number of credits:</b>	3 credits
<b>Lecture Time:</b>	Monday, Wednesday, and Friday: 9.00 – 12.00 Hours.
<b>Prerequisites:</b>	none

#### **Course Content:**

*Study and analysis of world economy with an emphasis on the economic expansion of Western territories between the 14<sup>th</sup> and the 21<sup>st</sup> centuries. Emphases are given to contextual changes in economy, geography, history society, culture, religion and politics as the role of determining economic leadership of certain economies, such as Italy, Portugal, Spain, the United Kingdom, Belgium, the Netherlands, France, Germany, Sweden, the United States and Japan.*

#### **Course Objectives:**

This class has three primary purposes. Firstly, it is to identify the major economic changes that have occurred throughout world history, and to analyze what they were, when they occurred, and why. Thus, students will be expected to know (or learn) the basic outlines of world history, so that they can learn how economic rules have shaped it.

Secondly, the class seeks to demonstrate how the rules and laws of economics are universal; they apply through time and space. Thus, students will learn how complex organizations have been created throughout history, how material, technological and human capital limitations have influenced societies and history, and how different societies have solved similar problems in different, and similar, ways. And they will learn how the laws of economics apply in non-market economies, how decisions and resources are allocated in the absence of modern markets.

Finally, the class will explore the economic, societal and political prerequisites of economic growth. Economic growth throughout history shows some persistent patterns, and these patterns apply to today, as well as the past. Different theories of growth and development stress different factors as being key; the answer to the question of what specific factors are necessary for sustained economic growth has great import to the world today.

## Prerequisites:

Econ 211 (introduction to economics) is not a prerequisite for this course, though it will be very helpful. While this course will be very non-mathematical, a certain degree of familiarity with economic terms and concepts is assumed. A basic knowledge of world history is also assumed for this course. Students should be familiar with the broad outlines of world history. Certain periods of history will be highlighted in greater detail, to demonstrate or illustrate concepts taught, but students will not be expected to know these periods in detail before class.

There is not a standard text for this subject, and most of the books on the subject assume either an extensive working knowledge of Western History, or a great deal of familiarity with economic subjects; often the books assume both. As such, the material for the course will come from several sources, all collected into a general reader. The readings are drawn from the books and articles listed below. All books are available in my office, those who want to read deeper into the topics.

Landes, David, The Wealth and Poverty of Nations, New York, W.W. Norton and Company, 1999

Cameron, Rondo and Larry Neal, A Concise Economic History of the World: From Paleolithic Times to the Present, New York, Oxford University Press, 2003

Jones, Eric, The European Miracle: Environments, Economies and Geopolitics in the History of Europe and Asia, New York: Cambridge University Press, 2003

North, Douglass C. and Robert Paul Thomas, The Rise of the Western World: A New Economic History, New York; Cambridge University Press, 1973

North, Douglass C., Structure and Change in Economic History, Douglass C. North, W.W. Norton and Company, New York, 1981

Mokyr, Joel, The Lever of Riches: Technological Creativity and Economic Progress, New York, Oxford University Press, 1990

Clark, Gregory, A Farewell to Alms: A Brief Economic History of the World, Princeton, Princeton University Press, 1997

## Mentioned Texts:

These are books that have had a significant impact outside economics, which will be briefly covered in class. Again, they are available, but are not required for class.

Olsen, Mancur, The Rise and Decline of Nations, New York, Yale University Press, 1981

Kennedy, Paul, The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000, New York, Vintage Books, 1987

Diamond, Jared, Guns, Germs and Steel: the Fates of Human Societies, New York, W.W. Norton and Co, 1999

## Evaluation:

The class evaluations will be based on two exams, given throughout the semester. Each exam will be 1½ hours in length, students will have a choice of what questions to answer. A sample exam will be passed out before the midterm.

Midterm: 40%

Final: 60%

## Cheating:

Don't. If you do, and I catch you, you will be reported to the program director for appropriate punishment. At a minimum, you will receive a zero on the exam you are caught cheating on, other punishments include automatically failing the course, and being suspended for one (or more) semesters.

## Topics:

Below is a tentative course outline. Depending on student knowledge, some parts may move a little faster or slower. Certain classes, will involve a more in depth analysis of historic facts; essentially I will use those classes to make sure you know the history of the period well enough to discuss the economic underpinnings of it. Other classes will delve into economic theory more.

Introduction: Homo economicus throughout time. Economic history, vs. history of economics. Economics as human capital. People as rational beings. Evolutionary models of economic progress. The S curve. Humans as social animals.

### Week 1a The world 10,000 B.C.

Prehistoric man. The hunter-gatherer tribe. Population pressure, and **the S curve**. Property rights. **Marginal values** of everything. The jungle wasteland. **Time allocation and gender roles**.

Two Models of early Population growth. Jared Diamond/Kemmer model. Property **rights, spillover effects**. The conservative (safety) bias of society, and **risk adverse** tribes. **Early trade and specialization. Comparative and absolute advantage** in family production.

### Week 1b – The world 7,000 B.C.

The first agricultural Revolution. **The North Model. Olsen's roving bandit** model. The **raw materials** of agricultural growth, **factors of production**. The beginning of **property rights**, and **economic specialization and social classes**.

### Week 2a – The world 3,000 B.C.

The second agricultural revolution. The birth of empires. The **Hydraulic society**. The **problem of coordination. Technological problems vs. institutional problems**. Ancient Babylon. Ancient Assyria. Ancient Egypt. Ancient China. Ancient India. The **holdout problem** in irrigation. **Transaction costs**. **"The Surplus"**, and the use(s) of it.

**The north model of government. The Olsen model of tyranny.** Ancient **public goods** vs. **publicly provided goods**.

### **Week 2b The world 431 B.C.**

Trade and Money. **Coinage and agoras**. The role of money. The greek city states. Transportation costs. Specialization and **Smithian growth (pt. 1)**. Government as other than tyranny. **Colonization. Incentives. Planned vs. emergent organization**. Athens and Sparta, Citizens and Helots. Natural disasters and the end of capital. Relative effects on Capital and Labor.

### **Week 3a The world 1 A.D.**

Empire: The Romans. Roman law and courts. The **economics of the Law**. Organizational genius. **Smithian growth, absolute and comparative advantage in a large empire. Economies of scale** for enterprises and states. Roman agriculture, the **slave system**. Extended example: The Roman legion, and the complexity of ancient societies. Baumol, good and bad **entrepreneurship**.

### **Week 3b The world 478 A.D.**

The Roman decline. The technological explanation (North). The biological explanation (xxxx). The military explanation (Luttwak, Higgs). The **distributive coalition** hypothesis (Olsen). Also, Byzantium, and early Islam.

### **Week 4a Interlude -- Taking stock of the world, and how it was governed.**

The state. Theories of the State. North. Olsen, Others. Going back in time: China, Egypt, Persia, Greece, Rome, The Barbarians.

### **Week 4b The world in 1066 A.D.**

The Early middle ages and the problem of security. Feudalism and the Manorial system. The western world. Violence. Trade as a public good – “the encompassing interest”. Economies of scale in violence. The feudal system of national defense. Self-sufficiency, the absence of encompassing power. Political competition. The role of military technology. A model of path-dependent military dominance, the hurdle effect on a new Rome – monopoly and barriers to entry.

### **Week 5a The world of 1348**

The Black Death. Recap of Diamond hypothesis. The effect on Europe, the Middle East and Asia. The Malthusian hypothesis. Relative prices of factors of production. Changes in the status of the peasantry. Legal rights. The Rebirth of Mediterranean trade, and the new commercial organizations – banks, insurance, corporations, double entry bookkeeping, credit, etc.

### **Week 5b The world of 1500**

The age of exploration. Portuguese and Chinese fleets. Columbus and the new world. The Aztecs, incas, and silver. The gunpowder revolution, the end of feudalism and the rise of the nation state. European economies – The Netherlands, England, Spain, France. The three field system. The market economy, the common law system. Thick markets.

### **Week 6a The world of 1700**

The early industrial revolution, mercantilism, colonies and trade.  
Narrative of the industrial revolution 1  
Theories of the industrial revolution 1

**Week 6b The world of 1850**

Narrative of the industrial revolution 2

Narrative of the industrial revolution 2

Schumpeterian growth, rising productivity. Escape from Malthusian economics. Free trade, most favored nation status. The Technological arms race.

**Week 7a The world of 1914**

The later industrial revolution, imperialism, free trade, global smithian growth (globalization), trade unionism, the beginning of the welfare state. Central planning, Marxism (fascism), and the USSR.

**Week 7b The world of 1948**

Standardization, global monopolies and cartels

**Week 8a The world of 2005 A.D.**

The (non) importance of resources. Human Capital and the Asian Miracle. (idea – Arab and Asian face). The Modern Welfare State. Petrocracies. Free trade and modern finance. The role of economics in economies. Public choice theory. The bureaucratic state.

**Course Evaluation:**

Type of evaluation	Evaluation Method
Midterm Exam	40%
Final Exam	60%

## Course Outline

### FN 281 Personal Finance

Number of credits:	3 credits
Lecture Time:	Monday, Wednesday, and Friday: 9.00 – 12.00 Hours.
Prerequisites:	<i>none</i> <i>(No credits earned from this course if FN282 Wealth Management is also taken)</i>

#### Course Description

This course will offer you the practical view of Personal Finance. It will cover give you the basic knowledge in Finance to help you setup your Financial Goals and try to achieve them. It will also encourage you to think and plan in a systematic way in order to understand financial planning of which you could understand how people react at different time on their life cycle and the recommendations or advices that you can give them in order to achieve their financial goals. This course will also provide you with necessary knowledge on how you could manage your savings and invest them for an optimal return. The course will emphasize on case studies and will focus on implementing the concepts in textbook.

#### Course Objective

Following the completion of the class, the students is expected to have a high level of understanding in the importance of financial planning. Students is expected to be able to come up with good financial goals and plan to achieve that in the future. In addition, students will have a high level of understanding of financial products that could be used for their financial management in their day-to-day life from the current age until retirement.

### Textbook and Materials

- Jack Kapoor, Les Dlabay, Robert J. Hughes, "Personal Finance". McGraw-Hill/Irwin Series in Finance, Insurance and Real Estate (Recommend: 10<sup>th</sup> Edition)
- Materials distributed in class

### Evaluation

a) Participation and Quiz	10%
b) Group Assignment (Report and Presentation)	30%
c) Individual Assignment	20%
d) Investment Simulation	10%
e) Take-Home Final Exam	30%

### Guidelines

#### **a) Participation and Quiz**

You are encouraged to participate in class. The best way to learn is to try to think and make suggestions where your classmate will help comment on. In doing so, you will learn from each other's experiences. This will help you apply the theoretical knowledge earned from this course in helping you reach your financial goals.

From time to time, you can expect quiz at any time of the class. The quiz may cover all the materials that have been discussed in prior classes. You are expected to concentrate and understand the materials as the course progresses.

#### **b) Group Assignment (Presentation and Report)**

I strongly encourage students to work in team. At the first session of the course, I would like students to come up with a team and team name. There will be in-class assignments which will be graded.

Towards the second half of the course, each group will be asked to pick a person in the group or an assigned person to discuss his/her character and/or family. The group will be asked to make a 15 to 20 minutes presentation as well as a written report for a complete analysis of the person or family to aid their personal financial planning.

#### **c) Individual Assignment**

The assignments will help you to create decent financial goals and pursue them. There will be individual assignments which you are asked to do and will need to be submitted during the first 15 minutes of next class. Any late submission will be penalized and your score will be deducted by 5% per day of that assignment (you can let me know for any late submissions).

Copying of assignments will not be tolerated. If there are any assignments that look similar to each other, you will be asked to prove that you have completed them yourselves. Failing to do so will result in zero score for that assignment for both (or more) students.

#### **d) Investment Simulation**

To let you have experience in the investment world, you are asked to have an equity portfolio investment and update by filling the online submission form. Your submission and ranking will be counted for the score in this part.

#### **e) Take-Home Final Exam**

The Final Exam will cover all materials discussed in class including group and individual assignments.

### Tentative Course Contents

Week/Session	Topics
1	Introduction to Personal Finance Financial Planning Process Developing Personal Financial Goals
2	Time Value of Money Career Choice Identifying Job Opportunities Financial and Legal aspect of employment
3	Personal Financial Statements and evaluation Taxes Cash management Strategy
4	Payment Method Open-end and Close-end Credit Measuring your credit capacity
5	Purchase strategies Housing decision Property and Motor Vehicle Insurance
6	Health and Life Insurance Investment fundamentals
7 )	Investment in Equities (1)
8	Investment in Equities (2) Investment in Fixed Income Securities
9	Investment in Mutual Funds
10	Alternative Investments
11	Asset Allocation
12	Life cycle for investment Retirement Planning Estate Planning
13	Case Study session Review for Exam
14	Group Presentations (1)
15	Group Presentations (2)
16	Final Examination

Note: Date and contents may be changed as appropriate.



## **Course Syllabus**

### **FN282 Wealth Management**

<b>Number of credits:</b>	3 credits
<b>Lecture Time:</b>	Monday, Wednesday, and Friday: 9.00 – 12.00 Hours.
<b>Prerequisites:</b>	<i>none</i>  <i>(No credits earned from this course if FN281 Personal Finance is also taken)</i>

### **Course description**

Evaluations of potential customers, personal tax planning, life-cycle investing, measurement of risk of and return on financial assets, portfolio theory, portfolio optimization, investment policy statements, investments in real estate investment trusts, performance evaluation of mutual funds, retirement planning, wealth transfers, heritage, donations, new issues in wealth management

### **Course Objectives**

- 1) To enable students understand fundamental concepts of personal wealth management
- 2) To create an understanding and be able to choose financial tools for personal wealth management
- 3) To allow the students to set up goals (wealth creation, retirement, wealth transfer) and be able to collect the data for analysis and planning for personal wealth management.
- 4) To allow students to understand the concept of risk and return on financial asset investment
- 5) To enable students to prepare a portfolio of asset investment

## Grading criteria

Final exam	20%
Quizzes	40%
Book summary	15%
Workshop presentation	10%
Case study presentation	<u>15%</u>
Total	<u>100%</u>

## Reference material

None

## Course plan

### Tentative class schedule

Session/ Date & Time	Topics	Activities/ Text & Materials/ Media
1	Overview of Personal Wealth Management	To define and classify wealth, financial product, (asset allocation), and risk diversification
2	Asset classes	To understand various asset classes for personal investment
3	Risk and Return on investment	To understand the concept of risk and expected return and how to measure them
4	Stock Investment Quiz 1	Stock investment technique for new investor – Fundamental analysis and valuation
5	Stock Investment	Stock investment technique for new investor – Technical analysis
6	Psychology of Investment	To understand psychology of investment including pattern and guideline of thinking process method for implementation resulted in investment profitability
7	Bond investment	To understand the concept of bond and its valuation

<b>Session/ Date &amp; Time</b>	<b>Topics</b>	<b>Activities/ Text &amp; Materials/ Media</b>
8	Investment in mutual funds and REIT and Infrastructure funds  Quiz 2	To understand the concept of mutual funds and Infrastructure fund
9	Financial Planning and Risk Management	To learn financial planning, risk management, characteristics of life and health insurances that affect financial wealth
10	Investment in Real Estate for Creating Wealth	Investment technique in real estate for crating financial wealth
11	Asset Allocation for Financial Freedom and Wealth Management (Part I) Quiz 3	Personal Finance & Asset Allocation
12	Presentation on book summary	
13	Asset Allocation for Financial Freedom and Wealth Management (Part II)	Optimal asset allocation technique by financial tools for risk management and wealth creation
14	Personal Income Tax Management  Quiz 4	Personal income tax Tax management technique for financial wealth
15	Presentation on final case study	