

# Macro Economics

## Short description

The management game “Macro Economics” is designed to reflect the essential interdependencies of a modern economy. To understand these interdependencies, basic knowledge of macro- and microeconomics and of economic policy are necessary.

Different teams represent the major sectors of the economy of MACROPOLY: Government, Central Bank, 2 Companies, 2 Banks, Trade unions and Consumer organizations.

The aims of the sectors are, in many ways, different. The success of any of these sectors is not only dependent on their own decisions, but also on the reaction of the other sectors. Conflicting interests, as well as contradictory economic targets, are – as in reality – no exception. Therefore, to build up a prosperous economy in MACROPOLY demands from each sector **the active exchange of information and the readiness to balance interests.**

## Learning Objectifs

The Macro Economics simulation illustrates economic interdependencies, general economic matters and economic figures, as well as the results of actions taken by any sector of an economy.

The participants experience effects of the economic progress on their own sector (Companies, Government, Trade Unions and Consumer Organizations, Central Bank and Banks) and how each sector participates in the economy. They learn the range of decisions of their own sector and to use it in cooperation with the other sectors.

### The participants learn

- to analyse the changes in the economical, political and social environment
- to analyse the effects of these changes on their own sector
- to fix strategic targets for their own sector
- to plan and to decide on measures according to these targets

### Therein they learn

- to think systematically
- team-work and to interact with other teams

## Target Groups

Macro Economics is the ideal programme for anyone who is in a management position (lower, middle and/or upper management) and/or for anyone who needs a general understanding of the essential interdependencies of a modern economy to perform a job in a professional way (e.g. employees of central banks, private bankers, portfolio managers, students of national/political economy etc.).

## Practical Details

- 12 – 25 participants per seminar
- 2 – 4 days, 3 – 7 groups
- Instructors: game solution ag, Zurich

# The simulation

## Decisions

MACROPOLY includes all of the relevant sectors of a modern economy; some of them are simulated in detail.

Decisions of Government - Precalculation

**Government**

Decision form I

REVENUES		EXPENDITURE	
Taxes (%)		Investments and Social security	
Wage taxes	15,0	Infrastructure (Mio.€)	19500
Profit taxes	50,0	Education / Research (Mio.€)	14000
Wealth taxes	2,0	Unemployment benefits (€)	33500
Capital taxes	1,0	Annual pension (€/pers.)	25500
Indirect taxes (VAT)	12,0		
Import taxes	3,0	Subsidies	generally Export
			Mio.€ €/unit
CHARGES (%)		Company 1	0 0
Excise taxes C1	0,0	Company 2	0 0
Excise taxes C2	0,0	Remaining economy	14000 0
Social sec. contrib. employers	10,0		
Social sec. contrib. employees	10,0		

Period: 1

Decisions of Central Bank - Precalculation

**Central Bank**

Decision form I

EXCHANGE RATE POLICY

Fixed exchange rates  Exchange rate (\$/€) 1,60

Floating exchange rates  For. exch. reserves (Mio.\$) ±

Fixed exchange rates and foreign exchange control  Exchange rate (\$/€)

Sale for. exch. res. (Mio.\$) -

OPEN-MARKET POLICY

Purchase/sale of domestic bonds (Mio.€) ± 2000

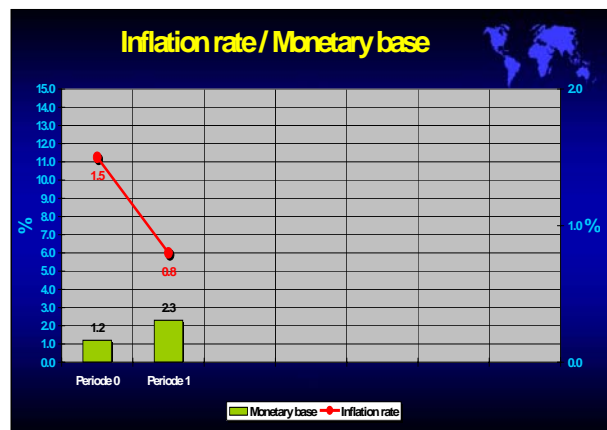
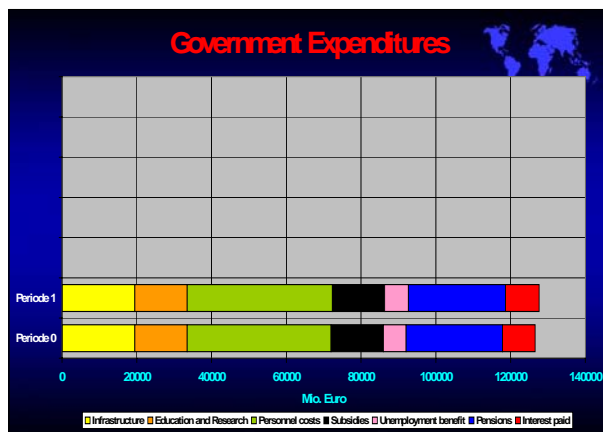
LOANS FROM ABROAD

Request/repayment of loans (Mio.\$) ± 0

Period: 1

## Analysis

Various diagrams illustrate the single results.



## possible programme

Day 1	Day 2	Day 3
Introduction	Period 2	Results and analysis
Period 1	Specific topic	Specific topic
Specific topic	Results and analysis	Period 4
Period 1	Specific topics	Group Presentations
Results and analysis	Period 3	Results and analysis

The duration of a seminar ranges between 2 and 4 days. Three to seven groups can be part of the simulation.