

Principles of Macroeconomics Syllabus

Professor:

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Dept. of Economics, KAP 316A
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213 740 2098
Class: TTh, 12:30–1:45, MRF 340
Office hours: TTh, 2:00–3:00

Course Objectives:

The purpose of this course is to introduce the main concepts and terminology of macroeconomics and to learn how to apply the tools of economic analysis to “real world” questions. We start with the basic principles and tools of economic analysis. We then address questions such as the effect of taxation and subsidies, the effect of setting minimum prices (like on wages) or price control (like on gas). We discuss the benefits of international trade and the issues associated with it. We then move on to learn how major economic indicators such as the Gross Domestic Product and Inflation are measured. Finally we address issues such as growth and development over time and between countries, the importance of the financial system, what determines unemployment and economic crisis and what can fiscal and monetary policy do about it.

TA:

Nykolas Maravich (maravich@usc.edu); Nazmul Ahsan (mdnazmua@usc.edu); Cheng Chou (andrewchengchou@gmail.com)

Course Requirements and Weights:

Attendance in lectures and in discussion sections are required. Active discussion is encouraged. There will be short homework problems, two midterm exams and a final.

Average of homework problems: 1/3

Best midterm grade: 1/3 (Oct. 11, Nov. 15, 12:30-1:45, MRF 340)

Final: 1/3 (Tuesday, Dec. 13, 11:00-1:00, MRF 340)

Final grades are mapped into letters according to the following schedule: A = 90-100, A- = 80-90, B+ = 70-80, B = 60-70, B- = 50-60, C+ = 40-50, C = 30-40, C- = 20-30, F = 0-20.

Exams are mandatory. Failing to take an exam will result in a grade of 0. Exceptions to this rule can only be made

for serious illness, family funerals and interscholastic competitions, and students **MUST** provide written evidence of these instances. If you feel ill on the day of an exam, please do not attend the exam and ask later for a make-up. Instead, see a doctor and obtain a note to bring to me or your TA.

Textbook:

Mankiw, Principles of Macroeconomics, 6th edition
ISBN: 9780538453066

Students requesting academic accommodations based on a disability are required to register with Disability services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP when adequate documentation is filed. Please be sure the letter is delivered to me (or to TA) as early in the semester as possible. DSP is open Monday-Friday, 8:30-5:00. The office is in Student Union 301 and their phone is (213) 740-0776.

Outline:

1. Introduction
 - (a) Ten principles of economics (Ch 1)
 - (b) Thinking like an economist (Ch 2)
 - (c) The gains from trade (Ch 3)
2. How markets work
 - (a) Supply and demand (Ch 4)
 - (b) Applications and analysis of government policies (Ch 5 & 6)
3. Market and welfare
 - (a) Consumer, producers and efficiency (Ch 7)
 - (b) Applications: taxations and international trade (Ch 8 & 9)
4. Measurement
 - (a) Income (Ch 10)
 - (b) The cost of living (Ch 11)
5. The real economy
 - (a) Production and growth (Ch 12)
 - (b) Finance (Ch 13 & 14)

(c) Unemployment (Ch 15)

6. Economic crisis

(a) Aggregate supply and demand (Ch 20)

(b) Monetary and fiscal policy (Ch 21)