



ECON 352x- MACROECONOMICS for BUSINESS
Syllabus, Spring 2017

Class Lectures: Tuesdays and Thursdays 4:00-5:50pm

Professor: M. Safarzadeh

Class number: 26364

Classroom: JFF LL125

Office Hours: TuTh 2:30-4:00 pm, and by appointment.

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Online communication regarding this course will be via Blackboard.

About This Course

Making sound business and economic decisions requires knowing economic environment in which firms operate. It requires an understanding of key economic indicators, the relationship among economic variables, the mechanics of how the economy works as a whole, and the role of economic institutions. ECON 352x introduces you to the economic theories and tools that can help you to have a better understanding of the fundamental macroeconomic issues, policies, and institutions. By using the economic tools and by critically evaluating the economic indicators, macroeconomic policies of the government, Fed, and the global economy, business decisions cannot go wrong systematically. Students who successfully complete ECON 352x should be able to apply macroeconomic analysis to issues of real world interest both within and beyond the area of business.

Course Learning Objectives

The primary goal of this course is to enable you to make informed judgments about whether the economic environment in a given country makes it a good place to do business.

At the end of the course you will be able to:

1. Apply graphical and algebraic tools to analyze various economic models and address questions in economics.
2. Apply the basic demand and supply model to calculate equilibrium wage rates, employment, interest rates and investment in an economy.
3. Use the neoclassical growth model to measure and forecast GDP in different economies.
4. Find sources of macroeconomic data, manipulate them, and understand how they have been behaving historically and how they compare across countries.
5. Understand and critically evaluate the news about the macro economy in the financial press.

6. Evaluate the effects of government policy such as changes in tax rates, or money supply on individuals, firms, and the economy.
7. Collaborate with others to judge news about the U.S. and world economy.
8. Understand and control the factors what lead to effective teamwork.
9. Demonstrate an ability to gather and disseminate information and communicate it clearly, logically, and persuasively in professional contexts.

Alignment with MARSHALL SCHOOL OF BUSINESS Program Learning Goals:

Learning Goals: In this class, emphasis will be placed on the USC Marshall School of Business learning goals as follows:

Goal	Description	Course Emphasis
1	Our graduates will understand types of markets and key business areas and their interaction <i>to effectively manage different types of enterprises</i>	High
2	Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisions <i>so as to anticipate new opportunities in any marketplace</i>	High
3	Our graduates will demonstrate critical thinking skills <i>so as to become future-oriented decision makers, problem solvers and innovators</i>	High
4	Our graduates will develop people and leadership skills to promote their effectiveness as <i>business managers and leaders</i> .	Medium
5	Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society	Low
6	Our graduates will be effective communicators <i>to facilitate information flow in organizational, social, and intercultural contexts</i> .	Medium

Course Requirements

The prerequisite for this course is introductory courses in macro, and microeconomics. Economics at ECON 352 level uses numbers, graphs, and equations to communicate economic theories and concepts. Although I will minimize the use of mathematics in teaching this course, there is no way to avoid the use of numbers, graphs, and mathematical relations in the teaching process. Therefore, I will assume that students are familiar with line graphs (time-series plot), bar graphs, descriptive statistics, data transformation, and mathematics of average change and marginal change.

The textbook for this course is *Macroeconomics* by Abel, Bernanke, and Croushore (9th edition), Addison-Wesley, 2017, ISBN: 978-0-13-4167398. This textbook is to serve as the point of departure for lectures and some of the homework assignments and tests. In addition, *The Economics of Macro Issues*, sixth edition by R.L Miller and D. K. Benjamin, Pearson, Addison Wesley, 2015, ISBN: 978-0134018959, is a good complement to Abel-Bernanke-Croushore text. It is a valuable resource for anyone who wants to make sense of economic news. You are required to be sufficiently familiar with the topics assigned for each class meeting prior to the class so that they can intelligently be discussed in the class. You are also required to follow the current economic news in the media and see how they relate to the economic theories covered in the class. The two sources that I would recommend for finding up-to-date economic news with a fairly accurate economic analysis are *Wall Street Journal* and *The Economist*. From time to time, class will be conducted in a discussion format. Students are required to participate in the discussions. Regardless of which format is employed, questions and comments are encouraged.

Course Grading

Each student will be assigned a grade reflecting the professor's evaluation of the student's mastery of the course material, as measured by the relative performance on the following exercises:

(a) Class attendance and participation	5%
(b) Course project and report	10%
(c) Four quizzes (2.5% each)	10%
(d) Three tests (15%, 20%, 20%, respectively)	55%
(e) Final Exam	20%

According to the Marshall School grading policy, the average grade for this course should be 3.0 (B). Marshall does not enforce a strict "curve" or grade distribution, but that grade is a reasonable expectation of the current course grade average.

Class Attendance and Participation

To familiarize myself with your names, each class meeting, I will call the names of a few students randomly. Students who receive two "no shows" during the random call will lose 5% attendance credit, unless they provide a legitimate excuse for missing the classes that can be documented and verified. Students can earn 5% credit for class participation by actively participating in class discussions. Volunteering to solve an assignment in the class, providing the class with a reference to an interesting article or economic debate, or discussing the relevance of a certain economic subject studied in the class to their own work experience are examples of active class participation.

Class Etiquette

This is a large class and I need your cooperation in ensuring orderly conduct of the lectures.

- NO LAPTOPS OR OTHER INTERNET ACCESS DEVICES MAY BE USED IN CLASS FOR ANY REASON.
- Please turn your cellular phones off before entering the class.
- Please arrive on time. If you are going to be late on a particular day, for a valid reason, please let me know in advance.

- If you have to leave early on a particular day, for a valid reason, please let me know in advance.

DISABILITY SERVICES AND PROGRAMS ANNOUNCEMENT

Please be aware of the following policy regarding disabled student accommodations:

"Any student 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. Please be sure the letter is delivered to me (or my TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m. - 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776." www.usc.edu/disability

Course Project and Report

You are required to join with others in a group of five students for group research and presentation on one current macroeconomic issue. The topic of the research maybe selected from the topics discussed in the class, discussion articles in *The Economist* or *Wall Street Journal*, or any macroeconomic topic of your own interest. The presentation should be no longer than ten minutes, with a five minutes discussion led by the group. The presentation is worth 10% and will be graded based on your knowledge of the subject matter, use of the economic concepts and tools in critically analyzing the subject, suggesting alternatives approaches, and the group's preparation and performance. You are required to meet with the group members no later than the second week of the semester to decide the topic, allocate the workload and organize. You should submit a one-page abstract containing the names of the group members, the topic, and the date of the presentation by no later than the second week of the semester. Once the presentation is done, students should submit a typed summary of the research with analysis, critics, and references. Some of the suggested topics are: Distribution of income and wealth in the USA and the political economy of the income distribution, poverty in USA, economics of discrimination, inflation and its causes and effects, cross-countries comparison of inflation and unemployment, budget deficit, national debt, trade with other countries and trade deficit, stock markets and the wealth effect, European Union and economic impact on the USA, economics of war and peace, economics of oil and energy, financial crisis or housing bubble of recent years, emerging nations and impact on US economy, the value of the dollar and trade, devaluations, economic policies of democrats versus republicans, health care in USA, challenges to social security, election promises and economic reality.

Quizzes

There will be four quizzes, each worth 2.5% of the course grade. The quizzes will consist of multiple-choice questions, short essay type questions, and problem solving. Quizzes will be a good practice and a good lead for the type of the questions that you will have in the tests. Part of the questions in the mid-term and final exams will be similar to the questions in quizzes and the questions in "Test Yourself" files, posted in the course site. I highly recommend that you read those questions, answer them, and check your answers with the correct answers posted in Blackboard. To log into Blackboard, type *blackboard.usc.edu*.

Midterm Exams

There will be three midterms during the semester plus the final test. The first midterm will be

worth 15%. The second and third midterms will each be worth 20% and the final test will be worth 20% of the course grade. The midterms will have a combination of multiple-choice and short essay / problem solving questions. No makeup exam will be given. If you miss a midterm for any reason other than medical emergency, a score of zero will be assigned to the midterm. If you miss a midterm on account of a proven medical emergency, your final test grade and other midterm grades will be averaged and will be assigned for the missing midterm grade.

Final Exam

The final exam will be comprehensive but will emphasize the material covered after the third test. The final will have a combination of multiple-choice and short essay / problem questions. If you miss the final exam for a medical emergency reason that can be documented and verified, there will be a makeup final to be arranged as soon as possible. Otherwise, a grade of zero will be assigned to the final exam. All the tests in this course are closed notes, closed book, open mind.

Getting Help

The Marshall Office of Undergraduate Advising offers Peer Tutoring as a supplement to classroom instruction. Marshall Peer Tutors are able to assist students in understanding and clarifying difficult concepts, but tutoring sessions are effective only if students regularly attend class and actively engage in the process of thinking critically about the course content. For more information on Marshall Peer Tutoring, see <http://students.marshall.usc.edu/undergrad/advising/> or contact the Marshall Office of Undergraduate Advising in BRI-104, 213-740-0690, undergrad.advising@marshall.usc.edu. If you still have questions concerning the lecture material or having problem understanding a concept or probably having time for some intellectual chat on an economic issue, please feel free to drop in my office. If my office hours are not convenient for you, call and make an appointment. For short questions, you may e-mail me at safaradz@marshall.usc.edu.

Statement On Academic Integrity

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, (www.usc.edu/scampus or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, USC executive leadership

will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Course Outline

The following course outline will be followed in a lecture format, but with sufficient flexibility to alter allotted time and emphasis as questions arise. From time to time, class will be conducted on a discussion format. You are required to follow the economic news in the press and participate in the class discussions. Regardless of which format is employed, questions and comments are encouraged.

Course Outline*

Date	Topic of Study	Chapters
1/10	Overview of the materials, Introduction to Macroeconomics	1
1/12	Circular Flow Model	1
1/17	The Measurement and Structure of the National Economy.	2
1/19	Chapter 2 continued	2
1/24	Quiz #1	
1/26	Productivity, Output, and Employment	3
1/31	Consumption, Saving and Investment	4
2/2	Chapter 4 continued	4
2/7	Quiz #2	
2/9	Test #1 Review	
2/14	Test #1	
2/16	Long-Run Economic Growth	6
2/21	Long-Run Economic Growth	6
2/23	The Asset Market, Money, and Prices	7
2/28	Business Cycles	8
3/2	Quiz #3	
3/7	Test#2 Review	
3/9	Test #2	
March 12 – 19 Spring Recess		
3/21	Classical Business Cycle Analysis	10
3/23	Keynesianism: The Macroeconomics of Wage and Price Rigidity	11
3/28	Unemployment and Inflation	12
3/30	Monetary Policy and the Federal Reserve System	14

4/4	Government Spending and its Financing	15.1-15.3
4/6	Quiz #4	
4/11	Test#3 Review	
4/13	Test #3	
4/18	Open Economy Macroeconomics	5
4/20	Saving and Investment in Open Economy	5.1-5.3, 5.5
4/25	Exchange Rates, Business Cycles	13.1, 13.2, 13.5
4/27	AD/AS and Exchange Rate	
4/27	Final Exam, Review	

Final Test

Final Exam Date: Thursday, May 4th, 4:30 – 6:30 pm.

*- All details in this schedule are subject to change with adequate notice.

Evaluation Form for Group Presentation

Please make a copy of this form. Write the course name, the date of presentation, the group number, title of the presentation, and members' names. Submit it to me before your presentation. Please attach references to all the sources that you consulted.

Course # _____ Course Name: _____

Date: _____ Group Number: _____

Title: _____

Names: _____

	Excellent 4 pts.	Very Good 3 pts.	Good 1 pt.	Poor 0 pt.
Introduction gained attention				
Objectives of the research were explained well				
Content was presented clearly				
Content was well organized				
Knowledge of the subject matter				
Economic terminologies and tools were used properly				
Interaction and response to students' questions				
Conclusion was consistent with the content				
Data and graphs were used to back the arguments				
Data and information were from qualified sources				
Total				

