

Econ 352 - Macroeconomics for Business

Syllabus – Spring 2017 – TTR – 6:00-7:50pm

Professor: Lingwen Huang

Office: ACC 301E

Office Hours: Tuesday 2:00-3:00pm, Thursday 2:00-3:00pm, or by appointment

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Course Description

This course in macroeconomics will help you understand how economies function, both in the national and international contexts. Such an understanding should allow you to make sound and informed business decisions. Economics is one of the foundations for other functional areas within business, such as Finance and Marketing, and understanding economic concepts will help you understand the issues involved in these more specialized fields.

We will focus on the fundamental issues of macroeconomics, such as long run economic growth, inequality, inflation, unemployment, monetary and fiscal policy, short run fluctuations of the economy, savings and investment in the open economy, and exchange rate determination. We will use macroeconomic tools to analyze how government policy affects the economy, how various disturbances affect the economy, and how economic news affects interest rates and asset prices. Note that we will spend a considerable amount of time learning macroeconomic theories since those tools are very important in analyzing the real-world events in a sensible way.

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.

Upon completion of this 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. Be able to 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

ALIGNMENT WITH MARSHALL SCHOOL OF BUSINESS PROGRAM LEARNING GOALS

The above course learning objectives support the Marshall School of Business' program goals if the following way:

1. Our graduates will have an understanding of the key business areas and their interplay *to effectively manage different types of modern enterprise.* (HIGH)
2. Our graduates will have a global mindset *demonstrating an understanding of the interplay of local, regional, and international markets, and economic, social and cultural issues.* (HIGH)
3. Our graduates will demonstrate critical thinking skills, decision-making, and problem-solving abilities to *strategically navigate complex demands of business environments.* (HIGH)
4. Our graduates will demonstrate leadership skills, *aspiring to be informed, sensible, future-oriented leaders and innovators.* (LOW)
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 in speaking and writing *to facilitate information flow in organizational, social, and intercultural contexts.* (MEDIUM)

Required Materials

Text: The required textbook for this course is *Macroeconomics* by Andrew A Able and Ben S. Bernanke, Dean Croushore, 9th ed.

MyEconLab: The custom text is bundled with a MyEconLab Student Access Code Card. MyEconLab (MEL) is an online study tool provided by the publisher designed to complement the full version of the textbook. MEL has online practice tests, exercises, and other resources. You can also create your own study plan. **We will use MEL for graded Homework assignments.** Each topic has a homework assignment associated with it. These assignments are set up to help you understand and become comfortable with the material. You get automatic feedback as you do the problems, and your efforts are graded automatically. Detailed MEL registration and course enrollment information is provided at the end of the syllabus.

Documentary Videos: We will watch parts of the Commanding Heights video. You can stream the video directly from the PBS website for free at the following address:

<http://www.pbs.org/wgbh/commandingheights/lo/story/index.html>

Note that free viewing is available only on small screen and a few minutes at a time.

Prerequisites and/or Recommended Preparation:

ECON 351 (Microeconomics for Business) or equivalent is a prerequisite for ECON 352. I will assume that you are familiar with basic algebra and calculus. You should expect exam questions requiring calculations.

Course Notes:

Power point slides of the lectures and other course material (articles, some assignments etc.) will be available on Blackboard. I will also use the site for announcements. You will receive an email notification each time an announcement is posted.

You will be responsible for all the material covered during lectures, including the articles we will discuss. **It is very important that you attend all classes.**

Grading Policies:

Homework (MyEconLab Assignments)+Participation	15%
Presentation	10%
Midterm 1&2,	45%
Final	30%

MyEconLab - Assignments: You will have to do these assignments online and must turn them in on the due date electronically. There will be 9 assignments for this class. You get instant feedback on your answers. If your answer is wrong, you can reattempt the question. There is a limit of 3 attempts per question. Late work will not be graded, no matter what the excuse is. But I will drop your lowest score on the graded assignments.

Important: MEL tends to crash when too many students are submitting answers. In past years, MEL has been crashing for several hours the night before the due day, probably due to too many students filling up answers at the last minute. I recommend that you work on MEL at your own pace as the course progresses, and **do not wait until the last possible time!** If the website crashes and you do not have time to fill all your answers, it will be your responsibility!

In addition to MEL, **your active participation** in class is very important. For that your attendance is crucial.

Presentation: You will form groups of 7 people and present one of the topics given on the Blackboard. Presentations will take place throughout the semester on the days indicated on the schedule below. All members of the group must be present and participate. Failure to be present the day of your group presentation will result in a grade of zero. **You must sign up by the end of the 1st week for a topic.**

Teams are expected to make a formal presentation with slides (about 10 minutes) and lead a class discussion (about 10 minutes). Please use **Blackboard groups** function to select a topic/group you would like to belong to. **Also please send 6-8 questions to your classmates the day before your presentation about the topic you will be covering. They will have to answer those questions at the end of your presentation.**

I will evaluate your performance. Scores for individual student contributions to presentation are assigned by me, based on my observations of the team's working dynamics, my assessment of the team's project quality, and thoughtful consideration of the information provided through your peer evaluations (peer evaluation form will be provided on the blackboard). The grades will be posted at the end of the semester.

Midterm Exams: The first midterm exam will be on **Thursday, Feb 16th, during scheduled class time**. It will test material covered up to the exam. The second midterm exam will be on **Thursday, March 23rd, during scheduled class time**. It will test material covered after the first midterm. The weight of the midterm with a higher score will be 25% and that of the lower one will be 20%. **Final Exam:** The final exam will be on **Wednesday, May 4th**. It will test material covered after the second midterm.

Please note: The date/time of the Final Exam is determined by the University. For the date and time of the final for this class, consult the USC Schedule of Classes at www.usc.edu/soc. Select the corresponding semester to view and click on the "Final Examinations Schedule" link on the left side of the screen.

There will be no make-up exams. However, there are legitimate reasons for missing an exam. If you provide documentation of a serious medical problem or crime incident for missing one of the first two exams, the remaining exam scores will be re-weighted to accommodate the missing score. However, if you miss the final exam, I will be unable to assign a complete grade to you.

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Historically, the average grade point for this class is about a 3.0. Three items are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students in the class.

All exams will be closed book and notes.

Grade Appeals:

If you feel that an error has occurred in the grading of exam, you may, within one week of the date the exam is returned to you, write me a memo in which you request that I re-evaluate the exam. Attach the original exam to the memo and explain fully and carefully why you think the exam should be re-graded. Be aware that the re-evaluation process can result in three types of grade adjustments: positive, none, or negative.

Class Etiquette:

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

- You may use a laptop or iPad during class **only to take notes**. You might be asked to turn it off. Upon request, you must comply and put your device aside in off mode.
- Please turn your cell 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; also, try to find a seat near an aisle.
- If you have to leave early on a particular day, for a valid reason, please let me know in advance; also, try to find a seat near an aisle to minimize disruption to others.

Marshall tutoring Program:

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.

Marshall Peer Tutoring services are available for core courses that are traditionally challenging, including ECON 351x, ECON 352x, BUAD 310, and BUAD 306. Tutoring will begin on the Monday of the third week of classes for ECON-351x. Students can choose to participate in group tutoring sessions or drop-in tutoring sessions. Most students will benefit from group tutoring in particular, as the purpose of group tutoring sessions is to review and discuss content covered in the previous and current week.

For more information on tutoring, see <http://students.marshall.usc.edu/undergrad/advising/> or contact the Marshall Office of Undergraduate Advising in BRI-104, by phone 213-740-0690, or email undergrad.advising@marshall.usc.edu

Add/Drop Process

If you are absent six or more times prior to Friday, **April 7th** (the last day to withdraw from a course with a grade of “W”), I may ask you to withdraw from the class by that date. These policies maintain professionalism and ensure a system that is fair to all students.

Retention of Graded Coursework

Final exams and all other graded work which affected the course grade will be retained for one year after the end of the course *if* the graded work has not been returned to the student (i.e., if I returned a graded paper to you, it is your responsibility to file it, not mine).

Technology Policy

Laptop and Internet usage is not permitted during academic or professional sessions. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. **ANY e-devices (cell phones, PDAs, I-Phones, Blackberries, other texting devices, laptops, I-pods) must be completely turned off during class time.** Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

Support Systems

Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students.

The Office of Disability Services and Programs (www.usc.edu/disability) provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is 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 to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* (<http://emergency.usc.edu/>) will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

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.

COURSE CALENDAR/READINGS/CLASS SESSIONS¹

Date	Topic	Chapter(s)	Applications/Presentation
1/10	1. Introduction	1	
1/12	Review of High School Math	-	
1/17	2. Measurement of Economic Performance	2	
1/19			
1/24	3. Production and the Labor Market	3.1,3.2, 3.3-3.5	1: GDP
1/26			2: Inflation
1/31			
2/2	4. Consumption and Investment	4.1, 4.2, 4.3, 4.A	3: Employment
2/7			4: Unemployment rate
2/9			
2/14	Review		
2/16	Midterm 1(in class)		
2/21	5. Business Cycle facts	8.1-8.3,10.1	5: Migration
2/23			6: Spanish unemployment
2/28	6. Money and Prices	7 (except 7.2)	
3/2	7. Monetary Policy and Federal Reserve Bank	14	7. Saving and Investment
3/7			
3/9	7. Monetary Policy and Federal Reserve Bank	14, 12.1	8.Monetary Policy and the FED
Spring Break			
3/21	Review		
3/23	Midterm 2 (in class)		
3/28	8. Economic growth	6	
3/30			
4/4	9. Fiscal policy	15.1-15.3	9. Ireland
4/6			10. China
4/11	10. Balance of payments	5.1-5.3, 5.5,	
4/13			11. Taxes
4/18	11. Exchange Rates	13.1,13.2,13. 5	12. Debt
4/20			
4/25	Commanding Heights		
4/27	Review		
5/4	Final Exam 7pm-9pm (in class)		

¹ All details in this schedule are subject to change with adequate notice.

Enter your Blackboard course

1. Sign in to Blackboard and enter your Blackboard course.
2. Do one of the following:
 - > Select any Pearson link in the Content area.
 - > Select **Tools** in the left navigation and **Pearson's MyLab & Mastering** on the Tools page. Next, select any course link in the top area of the Pearson's MyLab & Mastering Tools page.

Get access to your Pearson course content

1. Enter your Pearson account **username** and **password** to **Link Accounts**.
You have an account if you have ever used a Pearson MyLab & Mastering product, such as MyMathLab, MyITLab, MySpanishLab, MasteringBiology or MasteringPhysics.
 - > If you don't have a Pearson account, select **Create** and follow the instructions.
2. Select an access option:
 - > Enter the access code that came with your textbook or was purchased separately from the bookstore.
 - > Buy access using a credit card or PayPal account.
 - > If available, get temporary access by selecting the link near the bottom of the page.
3. From the You're Done page, select **Go to My Courses**.

Note: We recommend you always enter your MyLab & Modified Mastering course through Blackboard.

Get your computer ready

For the best experience, check the system requirements for your product at:
<http://www.pearsonmylabandmastering.com/system-requirements/>

Need help?

For help with MyLab & Modified Mastering with Blackboard, go to:
<http://help.pearsoncmg.com/mylabmastering/bbi/student/en/index.html>