



Intermediate Macroeconomic Theory

ECON 305

USC Dana and David Dornsife
College of Letters, Arts and Sciences
Department of Economics

COURSE SYLLABUS

Summer 2017

Instructor: Laurent L. Cellarier

E-mail: cellarie@usc.edu

Office: TBA

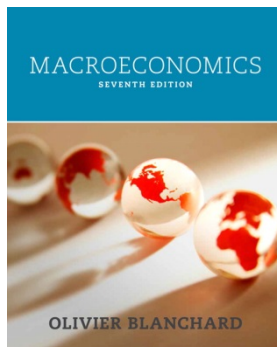
Office Phone: TBA

Office Hours: Monday, Tuesday, Wednesday, Thursday 11:00 am - 12:00 pm or by appointment

Lectures: Monday, Tuesday, Wednesday – 9:00 am – 10:50 am – VPDLL101

Objective: The goal of this course is to provide you with all the fundamental concepts and basic theoretical models to analyze, understand and predict the behavior of an economy in the short, medium and long run.

Required Textbook:



Macroeconomics, 7/E

Olivier Blanchard, *MIT*

ISBN-10: 0133780589 • ISBN-13: 9780133780581

©2017 • Pearson • Cloth, 576 pp

Published 05/19/2016

Online Textbook Materials:

<https://www.pearsonhighered.com/program/Blanchard-Macroeconomics-7th-Edition/PGM333935.html>

Grades:

Course grades will be determined according to the following weighting scheme:

| | |
|--|-----|
| 4 MyEconLab Homework Assignments (online) (Weeks 2, 3, 4, 7) | 20% |
| 1 Midterm Examination on June 21 th , 2017 (Week 5) | 35% |
| 1 Final Examination on July 11 th , 2017 (Week 8) | 45% |

Online Course Materials:

Course notes, textbook recommended problems, and the midterm answer key will be available at:
<https://blackboard.usc.edu/>

Course Notes:

Course Notes are available for each chapter and provide an overview of the key concepts and results, insights into the differences between the theory and the data, and graphs of additional U.S. and International data. You will be responsible for these graphs in addition to the data presented in the textbook. I expect that you remember the approximate levels and trends for some of the key macroeconomic statistics (i.e. the inflation rate, unemployment rate, GDP, GDP growth rate, 90 day government bill rate, etc.).

Textbook Recommended Problems:

A list of recommended problems from the textbook is provided for each chapter. These problems are the primary way in which you will learn how to apply the macroeconomic models discussed in the textbook. You should attempt as many of the recommended problems as possible. The problems will not be graded or turned in but you should view them as a necessary and required component of the course.

MyEconLab Online Homework Assignments (20%)

There will be 4 MyEconLab online homework assignments available at:
<http://www.pearsonmylabandmastering.com>

If one homework assignment is missed, suitable documentation must be provided that explains the nature of the illness or compassionate excuse and the dates for which the illness or compassionate grounds were in effect. Contact the course instructor if you fall into this category for guidance on suitable documentation.

Midterm Examination (35%)

The midterm examination will be written during class time on June 21th, 2017. The format is 50 multiple choice questions (50%), 2 quantitative exercises (25%) and (2-3) short answer questions (25%). The

quantitative exercises and the short answer questions will be similar in format to those found in the textbook and in the MyEconLab homework assignments. A class review will be taking place on June 20th, 2017.

Final Examination (45%)

The final examination will be written during class time on July 11th, 2017. The format is 50 multiple choice questions (50%), 2 quantitative exercises (25%) and (2-3) short answer questions (25%). The quantitative exercises and the short answer questions will be similar in format to those found in the textbook and in the MyEconLab homework assignments. A class review will be taking place on July 10th, 2017.

Notes:

It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of class assignments, what to do when you cannot meet a course requirement and the drop date for this semester.

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 the 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.

COURSE CONTENT

PART 1 Introduction

Chapter 1 The Long Run
(Blanchard, 7th U.S. edition, Chapter 10)

Chapter 2 Measurement
(Blanchard, 7th U.S. Edition, Chapters 1, 2)

PART 2 The Short Run

Chapter 3 The Goods Market
(Blanchard, 7th U.S. Edition, Chapter 3)

Chapter 4 Financial Markets I
(Blanchard, 7th U.S. Edition, Chapter 4)

Chapter 5 The IS-LM Model
(Blanchard, 7th U.S. Edition, Chapter 5)

Chapter 6 Financial Markets II
(Blanchard, 7th U.S. Edition, Chapter 6)

Chapter 7 Openness in Goods and Financial Markets
(Blanchard, 7th U.S. Edition, Chapter 17)

Chapter 8 The Goods Market in an Open Economy
(Blanchard, 7th U.S. Edition, Chapter 18)

Chapter 9 Output, the Interest Rate, and the Exchange Rate
(Blanchard, 7th U.S. Edition, Chapter 19)

PART 3 The Medium Run

Chapter 10 The Labour Market
(Blanchard, 7th U.S. Edition, Chapter 7)

Chapter 11 The Phillips Curve, the Natural Rate of Unemployment, and Inflation
(Blanchard, 7^h U.S. Edition, Chapter 8)

Chapter 12 From the Short to the Medium Run: The IS-LM-PC Model
(Blanchard, 7th U.S. Edition, Chapter 9)

The *skills and knowledge* competencies for this course are:

Skills:

- 1) **Written Communication:** Each midterm will have short answer essay questions which will be graded with the usual essay writing criteria except for the requirement of a bibliography.
- 2) **Numerical Problem Solving:** Students will have to **calculate** various macroeconomic indicators, multipliers, **solve** various economic models namely the IS-LM model, the Mundell-Fleming model, the IS-LM-PC model, the Malthusian model. Students will also have to make **quantitative predictions**. These numerical skills will be assessed with quantitative problems in the MyEconLab homework assignments, and the midterm.
- 3) **Analytical Problem Solving:** Most of the course relies on graphical **analysis to demonstrate** and **interpret** the various economic models. This will be tested on the MyEconLab homework assignments, the midterm and final.
- 4) **Problem solving in a Real World Context:** Students will have to **apply** the course materials to historical and current macroeconomic problems.
- 5) **Computer skills.** *Basic Excel skills are expected.*
- 6) **Professional and ethical awareness and conduct:** There will be no time extension to complete the MyEconLab homework assignments in order to master **time management** skills.

Knowledge:

- 1) **Mathematical Methodology:** Students are expected to **solve** systems of linear equations.
- 2) **Statistical and Econometric Methodology:** Students have to be **familiar** with basic data analysis, regression analysis, robustness, scatter plot)
- 3) **Microeconomic modelling:** Students are expected to **apply** the supply and demand framework to various markets.
- 4) **Macroeconomic Modeling:** As an intermediate course, ECON305 introduces students to macroeconomic modelling. Students are expected to **remember** and **recognize** various concepts and models.
- 5) **Understanding of Specific Markets:** Several markets are **analyzed** such as goods market, the money market, the bond market, the foreign exchange market, the labor market. Students are expected to **understand** and **remember** their specificities and commonalities
- 6) **Historical and Global context:** Students will be required to **research** the values of current macroeconomic indicators and variables. Short essay questions will ask students to **construct** an argument about a macroeconomic issue from an historical perspective and to **formulate** a solution for a current macroeconomic problem.
- 7) **Economic Policy and Regulation:** Governments have significant macroeconomic influences. Students must **understand** and **explains** the effects of monetary, fiscal, and exchange rate policy.

MyEconLab:

To register in MyEconLab for Intermediate Macroeconomic Theory ECON 305 Summer 2017:

1. Go to <http://www.pearsonmylabandmastering.com/>.
2. Under Register, select Student.
3. Confirm you have the information needed, then select OK! Register now.
4. Enter your instructor's course ID: [cellarier50554](#), and Continue.
5. Enter your existing Pearson account username and password to Sign In.

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 an account, select Create and complete the required fields.

6. 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.

7. From the You're Done! page, select Go To My Courses.
8. On the My Courses page, select the course name Intermediate Macroeconomic Theory ECON 305 Summer 2017 to start your work.

To sign in later:

1. Go to <http://www.pearsonmylabandmastering.com/>.
2. Select Sign In.
3. Enter your Pearson account username and password, and Sign In.
4. Select the course name Intermediate Macroeconomic Theory ECON 305 Summer 2017 to start your work.

To upgrade temporary access to full access:

1. Go to <http://www.pearsonmylabandmastering.com/>.
2. Select Sign In.

3. Enter your Pearson account username and password, and Sign In.
4. Select Upgrade access for Intermediate Macroeconomic Theory ECON 305 Summer 2017.
5. Enter an access code or buy access with a credit card or PayPal account.