



ECON 352x - MACROECONOMICS for BUSINESS
Syllabus, Fall 2018

Class Lectures: TuTh 8 – 9:50 AM in JFF LL125
Professor: Bruce Christian Brown
Class number: 26052
Office Hours: Tu 12-1; Th: 1-2 and by appointment.
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Communication regarding this course will be via email or Blackboard Discussion Board

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.

Catalog Description

Theoretical development and significance to business and markets of economic growth; inflation; unemployment; monetary and fiscal policy; business cycles; savings and investment; exchange rates.

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 that 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:

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

Microeconomics for Business, Econ 351, is a “co-requisite.” Most students will have previously completed this class, but it is possible to take both classes simultaneously. Recommended preparation includes introductory economics course, high school math, and algebra.

This course necessarily 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 and mathematics of average change and marginal change.

The textbook for this course is *Macroeconomics* by Abel, Bernanke, and Croushore (9th edition), Pearson, 2017. This resource serves as the point of departure for lectures and some of the homework assignments and tests. I will be using this most recent edition when making tests and quizzes, but the 8th edition is very similar. There is a low but non-zero chance this would cause a student to miss some point(s).

Additional Required Materials will be posted or linked to our Blackboard Course Site:

- Publisher PPT Slides: I will post slides for each Chapter on Blackboard. Most but not all will be discussed in lectures.
- Partial lecture notes to supplement and extend text material.
- Articles and linked videos posted on Blackboard.

Optional Material (may indirectly help students understand required material).

- Popular Press: I suggest that you get in the habit of regularly reading economic and business news through the lens of the material covered in this course. Excellent sources include: The Economist, a weekly British publication with extensive U.S. and world coverage; The Wall Street Journal, The New York Times and The Financial Times of London. FT has a stronger international flavor and less detailed coverage of U.S. events than either of the domestic newspapers.
- Macroeconomics Ninth Edition by N. Gregory Mankiw; another text at about the same level of difficulty as Abel, Bernanke, and Croushore and a close substitute/competitor. The most recent 9th edition is much more expensive than the 8th and not very different.
- Modern Principles: Macroeconomics Fourth Edition, by Tyler Cowen and Alex Tabarrok. This text presents material at a more elementary level than Abel, Bernanke, and Croushore.
- Marginal Revolution posted videos, produced primarily by Cowen and Tabarrok:
<https://www.mruniversity.com/courses/principles-economics-macroeconomics>

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) Unannounced "pop" quizzes (lowest two dropped)	15%
(c) Three tests (20%, 20%, 20%, respectively)	60%
(d) 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.

Course Outline – Any revision will be clearly indicated on Blackboard

Date	Topic of Study	Chapters
8/21	Overview of the materials, Introduction to Macroeconomics	1
8/23	Circular Flow Model	1
8/28	The Measurement and Structure of the National Economy	2
8/30	Savings and Wealth; Real GDP and Inflation	2
9/4	Macroeconomic Aspects of Labor Market	3
9/6	Productivity, Output, and Employment	3
9/11	Consumption, Saving and Investment	4
9/13	Consumption, Saving and Investment, continued	4
9/18	Review	
9/20	Test #1	
9/25	Long-Run Economic Growth	6
9/27	Endogenous Growth; Government Policy	6
10/2	Asset Market Equilibrium, Money Growth and Inflation	7
10/4	Business Cycles; Introduction to Aggregate Demand and Supply	8
10/9	IS-LM Analysis	9
10/11	IS-LM and Aggregate Demand and Supply	9
10/16	Review	
10/18	Test #2	
10/23	Classical Business Cycle Analysis	10
10/25	Keynesianism: The Macroeconomics of Wage and Price Rigidity	11
10/30	Unemployment and Inflation	12
11/01	Monetary Policy and the Federal Reserve System	14
11/06	Review	
11/08	Test#3	
11/13	Open Economy Macroeconomics	5
11/15	Savings and Investment in an Open Economy	5
11/20	Exchange Rates and Business Cycles	13
11/22	NO CLASS – Thanksgiving	
11/27	Government Spending and Its Financing	15
11/29	Review	

Final Exam Tuesday, December 11; 4:30-6:30 PM in regular classroom: JFF LL125
Exam Schedule: <http://classes.usc.edu/term-20183/finals/>

Quizzes

There will be a number of short unannounced quizzes worth 15% of the course grade in total. They will typically cover material from the previous class meeting and consist of multiple-choice questions, short essay type questions, graphing and problem solving. Quizzes will be a good practice and a good indication of the types of the questions students should expect to see on the exams.

Midterm Exams

There will be three midterms during the semester plus the final test. Each midterm will 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 one misses a midterm for any reason other than medical emergency, a score of zero will be assigned to the midterm. If one misses a midterm as a result of a proven, verifiable medical emergency, their final test grade may be used to replace 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 one misses the final exam due to a verifiable, documented, acceptable medical emergency, 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.

Class Etiquette

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

- 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.
- Laptop and Internet usage may be restricted if it appears to be a distraction.

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 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.

Getting Help

The Marshall Office of Undergraduate Advising offers Peer Tutoring as a supplement to class- room 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 bcbrown@marshall.usc.edu.

USC Statements on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.

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.

Support Systems

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and micro-aggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC’s Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.