



ECON 352 - MACROECONOMICS for BUSINESS
Syllabus, Spring 2019

Class Lectures: Tuesdays and Thursdays 12-1:50pm
JFF LL125

Professor: Mark D Griffiths
Class number: 26370

Office Hours: T&T: 11-12, 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 352 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 352 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), Pearson, 2014. 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, 2014, ISBN-10: 0132991284, 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 always 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) Four quizzes (5% each)	20%
(b) Three tests (20% each)	60%
(c) 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. **Grades are not negotiable!**

Important Dates

1/22	Quiz #1	in regular classroom
2/05	Quiz #2	in regular classroom
2/12	Test #1	in regular classroom
2/26	Quiz # 3	in regular classroom
3/05	Test #2	in regular classroom
3/12	No Class – Spring Break	
3/14	No Class – Spring Break	
3/26	Quiz #4	in regular classroom
4/02	Test #3	in regular classroom

Final Exam (Wednesday May 8, 2pm-4pm)

Verify the exam date here: <https://classes.usc.edu/term-20191/finals/>

Quizzes

There will be four quizzes, each worth 5% of the course grade. The quizzes will consist of multiple-choice questions, centered on understanding concepts 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 contained in the end of chapter questions. 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*. ***No makeup quizzes will be given. Any missed quizzes will have the weight shifted to the remaining quizzes or midterm/final exams.***

Midterm Tests

There will be three midterms during the semester plus the final test. The midterms will be worth 20% each and the final exam will be worth 20% of the course grade. The midterms will be multiple-choice problem solving questions. ***No makeup exam will be given. Any missed midterm will have the weight shifted to the remaining midterm(s) or final exam.***

Final Exam

The final exam will be comprehensive but will emphasize the material covered after the third test. The final will comprise multiple-choice problem solving 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.***

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, enter quietly and sit at the back of the class.
- If you have to leave early on a particular day, for a valid reason, sit at the back of the class and exit quietly.

DISABILITY SERVICES AND PROGRAMS ANNOUNCEMENT

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP 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 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.

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 markgrif@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.

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.

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.

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 always encouraged.

Course Outline*

Date	Topic of Study	Chapters
1/08	Overview of the materials, Introduction to Macroeconomics	1
1/10	Circular Flow Model	
1/15	The Measurement and Structure of the National Economy.	2
1/17	Chapter 2 continued	2
1/22	Quiz #1	
1/24	Productivity, Output, and Employment	3
1/29	Consumption, Saving and Investment	4
1/31	Chapter 4 continued	4
2/05	Quiz #2	
2/07	Test #1 Review	
2/12	Test #1	
2/14	Long-Run Economic Growth	6
2/19	The Asset Market, Money, and Prices	7
2/21	Business Cycles	8
2/26	Quiz # 3	
2/28	Test #2 Review	
3/05	Test #2	
3/07	IS-LM Analysis	9
3/12	NO CLASS – Spring Break	
3/14	NO CLASS – Spring Break	
3/19	Classical Business Cycle Analysis	10
3/21	Keynesianism: The Macroeconomics of Wage and Price Rigidity	11
3/26	Quiz #4	
3/28	Test#3 Review	
4/02	Test #3	
4/04	Unemployment and Inflation	12
4/09	Monetary Policy and the Federal Reserve System	14
4/11	Monetary Policy and the Federal Reserve System (Continued)	14
4/16	Government Spending and Its Financing	15.1-15.3
4/18	Government Spending and Its Financing (Continued)	15.1-15.3
4/23	Final Exam, Review	

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