



ECON 352x - 26053R

MACROECONOMICS FOR BUSINESS

Fall 2020

FACULTY AND CONTACT INFORMATION

Professor: Reza Bavafa, PhD
Class Hours: Online, TTH, 6-7:50pm
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COURSE SCOPE AND OBJECTIVES

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, The Federal Reserve, and the global economy, you will be able to make more informed business decisions.

Learning Objectives

The primary goal of this course is to enable you to make informed judgments about whether the economic environment of a 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. 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.
8. 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

The above course learning objectives align with the Marshall School program goals in the following way:

1. Our graduates will understand types of markets and key business areas and their interaction *to effectively manage different types of enterprises* (HIGH EMPHASIS)
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 *so as to anticipate new opportunities in any marketplace.* (HIGH EMPHASIS)
3. Our graduates will demonstrate critical thinking skills *so as to become future-oriented decision makers, problem solvers and innovators.* (HIGH EMPHASIS)
4. Our graduates will develop people and leadership skills to promote their effectiveness as *business managers and leaders.* (MEDIUM EMPHASIS)
5. Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society. (LOW EMPHASIS)
6. Our graduates will be effective communicators *to facilitate information flow in organizational, social, and intercultural contexts.* (MEDIUM EMPHASIS)

PREREQUISITES

The prerequisite for this course is the introductory course in 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, bar graphs, basic statistics, algebra, and mathematics of average change and marginal change.

COURSE MATERIALS

Required Materials

- **Textbook:** Andrew B. Abel, Ben S. Bernanke, and Dean Croushore, *Macroeconomics*, 10th edition.
- **MyEconLab:** This is an online instructional resource. There are three ways to purchase MyEconLab. 1) You can purchase hard copy of the textbook (indicated above) which comes with MyEconLab registration. 2) You can purchase the MyEconLab together with the e-book without having to purchase the hard copy of the book. 3) You can purchase only the MyEconLab without the e-book or the hard copy of the book. Please consult the USC bookstore for pricing. When registering with MyEconLab, please use your school email and *official registration name* rather than nicknames and other email accounts such as gmail etc.

Recommended Materials

- I frequently start each class by discussing a current economic issue covered in an article. I may also assign some articles by posting their titles or links in the Blackboard. It would be helpful to you if you get in the habit of reading economic news through the lens of the materials covered in class. Some good sources of economic news are The Wall Street Journal, the business section of The New York Times, Financial Times and The Economist. My classes tend to be very interactive, questions and comments are encouraged, and students are expected to participate in the discussions.

Course Format

Online Class. Students are strongly urged to actively participate in all synchronous sessions via computer or laptop, with a webcam and headset/speakers and be fully engaged throughout the duration of the class meeting. If students have an unreliable internet connection, time zone issues, or unavoidable distractions, they should communicate those with the instructor as soon as possible. Students with technology or internet needs should communicate those needs with the following sources:

- [Marshall Emergency Funding Resources](#)
- [USC Resources; basicneeds@usc.edu](#)

Our online class meetings will closely mirror the structure and expectations of in-person classes. You are expected to join the online class session on time and be engaged. It is not necessary that you know the material before each class, but it is important that you read the assigned materials prior to each class and become somewhat familiar with the topic that will be discussed in class.

As outlined in the student handbook, there are specific expectations of a student attending class online. When attending, present and act appropriate as if you were in a physical classroom.

Please do:

- Attend class from a quiet area, free of distractions.
- Dress respectfully. Video conference business meetings are and will be the norm, so practice your professional telepresence.
- If you use a virtual background, please keep it respectfully professional
- Display both your first and last name during video conferencing and Synchronous class meetings.
- Respectfully minimize distractions by muting and or turning video off when moving around.
- Engage in appropriate tone and language with instructors or classmates.
- Disagree respectfully.
- Respectfully pay attention to classmates.

Please do not:

- Engage in a simultaneous activity (e.g., using a telephone, reading a book, video games, etc.)
- Interact with persons who are not part of the class.
- Leave frequently or not be on camera for extended periods of time unnecessarily.
- Have other persons or pets in view of the camera.
- Behave in an overtly inattentive manner (looking distracted, not participating).

COURSE REQUIREMENTS AND GRADING

The requirements for the course and the associated weights to determine the final grade are as follows:

<u>Requirement</u>	<u>Weight</u>
Class Participation	3%
Best of 8 out of 9 Homework Assignments (1.25% each)	10%
Three quizzes (4% each)	12%
Team presentation	5%
First Midterm Exam	20%
Second Midterm Exam	20%
Final Exam	30%
Total	100%

Each course requirement receives a numerical score but not a letter grade. The overall numerical score in the course is converted into a letter grade at the end of the semester in accordance with the Marshall School guidelines. There is no official quota for the number of A's, B's, etc., although the average grade for required undergraduate courses can be expected to be close to 3.0 (corresponding to a B) out of 4.0.

Class Participation (3%) – This will include regular attendance and reading the assigned materials and articles so that you actively participate in the class discussions.

Homework (10%) - There will be nine homework assignments to be completed in MyeEonlab, and the best eight will count towards your final grade. Each assignment needs to be completed by a specific due date. You will have sufficient time and multiple attempts to complete the homework assignments.

Quizzes (12%) - There will be three quizzes, each worth 4% of the course grade. The type and number of questions in Quizzes will be similar to the homework assignments; however, quizzes must be completed in one attempt and in a limited time. Completing the homework assignments and quizzes will increase your performance on the exams.

Group Research and Presentation (5%) –

You are required to join with others in a team for a 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 in PP and no longer than 15 minutes Your presentation 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. Detailed instruction for the Group research and Presentation is provided in the Bb under the Assignment Tab.

Exams (70%) - The midterm exams are not cumulative. The final exam is cumulative, although more focus will be placed on chapters not covered on the midterm exams. The exams are intended to assess how well you understand the basic ideas and principles. The exams will be conducted during the live class sessions and under limited time constraints. Please check the Blackboard for the schedule of midterm and the final exams. There will be no make-up exams! In case of extraordinary circumstances that are properly documented by the university administration, the instructor will come up with an alternative arrangement. No student is permitted to take an exam before the normally scheduled time.

Incomplete Grade - An incomplete (IN) grade may be assigned due to an “emergency” that occurs after the twelfth week of classes. An emergency is defined as a serious documented illness, or an unforeseen situation that is beyond the student’s control, that prevents a student from completing the semester. Prior to the twelfth week, the student has the option of dropping the class. Arrangements for completing an IN course should be initiated by the student and negotiated with the instructor. Class work to complete the course should be completed within one calendar year from the date the IN was assigned. The IN mark will be converted to an F grade should the course not be completed.

Distribution of Class Information

- **Blackboard:** I will use Blackboard for several purposes:
 - To distribute various documents, including class slides and readings that become available during the semester.
 - To post announcements relevant to the course. Please check Blackboard regularly for new announcements.
 - To send email messages. It is your responsibility to make sure either that your Blackboard email address is the one you regularly check or that email sent to your Blackboard email address is forwarded automatically to your favorite address.

Sharing of Course Materials

It is a violation of USC’s Academic Integrity Policies to share course materials with others without official permission. No student may record any lecture, class discussion, or meeting with me without my prior express written permission. The word “record” or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated, or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, class presentation slides, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and me.

Add/Drop Process

In compliance with USC and Marshall policies, this class is open enrollment (R-clearance) through the first three weeks of the semester and is closed (switched to D-clearance) at the end of the third week. There is no wait list for this course, and I am not permitted to add students. This procedure minimizes the complexity of the registration process for students by standardizing across classes.

You can be dropped from the class, without notification, if you do not attend the first two sessions. If you

decide to drop this class, or if you choose not to attend the first two sessions and will be dropped from the class, you risk not being able to sign for another section in this semester, as they might reach capacity.

Academic Integrity

USC is committed to the general principles of academic honesty that include and incorporate 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. 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 Section 11, *Behavior Violating University Standards* scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* equity.usc.edu or to the *Department of Public Safety* capsnet.usc.edu/department/department-public-safety/online-forms/contact-us. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* www.usc.edu/student-affairs/cwm/ provides 24/7 confidential support, and the sexual assault resource center webpage sarc.usc.edu describes reporting options and other resources.

Academic Accommodations Based on Disability

Students whose primary language is not English should check with the *American Language Institute* 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. If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* 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.

Summary Course Schedule and Reading List, Fall 2020

Note: This schedule is subject to change. For an updated schedule, please check the Blackboard.

	Date	Topic and Textbook Reading Assignment	Group Number
Week 1	Aug 18 Tuesday	Introduction	
	Aug 20 Thursday	Chapter 1: Introduction to Macroeconomics	
Week 2	Aug 25 Tuesday	Chapter 2: Measurement of Economic Performance 2.1–2.5	
	Aug 27 Thursday	Chapter 2: Measurement of Economic Performance Continued	
Week 3	Sept 1 Tuesday	Chapter 3: Productivity, Output and Employment 3.1-3.6	
	Sept 3 Thursday	Chapter 3: Productivity, Output and Employment Continued	
		Quiz # 1: Chapters 1,2 & 3	
Week 4	Sept 8 Tuesday	Chapter 4: Consumption Saving and Investment 4.1-4.3	
	Sept 10 Thursday	Chapter 4: Consumption Saving and Investment Continued	
Week 5	Sept 15, Tuesday	Review	
	Sept 17 Thursday	Midterm I	
Week 6	Sept 22 Tuesday:	Chapter 6: Economic Growth 6.1-6.4	1
	Sept 24 Thursday	Chapter 6: Economic Growth Continued	2
Week 7	Sept 29 Tuesday	Chapter 7: The Asset Market, Money and Prices 7.1-7.4 & 12.4	3
	Oct 1 Thursday	Chapter 7: The Asset Market, Money and Prices Continued	4
		Quiz 2: Chapters 6&7	
Week 8	Oct 6 Tuesday	Chapters 8,10, 11 & 12: Business Cycles 8.1-8.3, 12.1-2.3, Ch 11 11.1 – 11.2 (pp 415-427), Ch 12 12.1 & 12.4	5
	Oct 8 Thursday	Chapters 8,10, 11 & 12: Business Cycles Continued	6
Week 9	Oct 13 Tuesday	Review	
	Oct 15 Thursday	Midterm II	
Week 10	Oct 20 Thursday	Chapter 14: Monetary Policy and The Federal Reserve 14.1-14.5	7
	Oct 22 Thursday	Chapter 14: Monetary Policy and The Federal Reserve Continued	8
Week 11	Oct 27 Tuesday	Chapter 15: Fiscal Policy 15.1-15.4	9
	Oct 29 Thursday	Chapter 15: Fiscal Policy Continued	10
		Quiz 3: Chapters 14 & 15	
Week 12	Nov 3 Tuesday	Chapter 5: Open Economy Macroeconomics 5.1-5.5	11
	Nov 5 Thursday	Chapter 5: Open Economy Macroeconomics Continued	12
Week 13	Nov 10 Tuesday	Chapter 13: Trade and Exchange Rates 13.1-13.4	
	Nov 12 Thursday	Review	
	Final Exam	Thursday, November 19, 7- 9pm	