

## **ECON 305: Intermediate Macroeconomic Theory**

**Units: 4**

**Summer 2022—TuWTh—Time: 2:00 – 3:50 PM**

**Location:** GFS 207

**Instructor:** Ali Shahnawaz

**Office:**

**Office Hours:** Tu 12 -1:30 PM

**Contact Info:** email – shahnawa@usc.edu (allow up to 48 hours for a response).

### **Course Description**

This course is designed to introduce students to classic macroeconomic issues such as inflation, unemployment, interest rates, growth and technological progress. The course will provide a framework to address these issues and study the impact of different policies, such as monetary and fiscal policies, on aggregate economic outcomes. The material focuses on both long run and contemporary higher frequency economic fluctuations providing a unified framework for understanding macroeconomic performance over time.

### **Learning Objectives**

By the end of the course, you should be able to comprehend and explain each theory discussed in class, illustrate each theory with adopted tools, and interpret the implications of potential macroeconomic events, including policy interventions and shocks.

**Prerequisite(s):** ECON 203 and 205, and one from MATH 118 or 125

### **Course Notes**

Course related material, including this syllabus, may be downloaded from Blackboard. Some assessments will be conducted on Pearson MyLab, an online learning platform.

### **Required Readings and Supplementary Materials**

The required book is Olivier Blanchard, *Macroeconomics*, 8<sup>th</sup> edition, Pearson Publishing. The hard copy of the book is only recommended since you are required to purchase access to this course on MyEconLab and the course comes bundled with an e-book version of the text. If you would like to have a hard copy, an older edition should mostly do fine. A recommended text for a discussion of debt and monetary policy is Michel Aglietta, *Money* (Verso). This book is not required.

### **Description and Assessment of Assignments**

Students will be expected to prepare assigned readings every week. Problem sets are an important component of this course and will be critical in enhancing your understanding of the material (not to mention, in helping you do well on the exams!). Deadlines are important. Plan ahead and make sure you turn in your assignment early if you at any point expect other commitments to inundate you close to the stated deadline. **No late assignments will be accepted!** All assignments are due by 11:59 PM (PST = California time) in MyLab, on dates that fall on Saturdays.

### ASSIGNMENT DUE DATES (all due by 11:59 PM on specified dates)

- Saturday, May 21: Ungraded 'Getting Started' in MyEconLab homework
- Saturday, May 28: Chapter 1, 2, 3, and 4
- Saturday, June 4: Chapters 5 and 6
- Saturday, June 11: Chapters 7 and 8
- Saturday, June 18: Chapters 9, 10, and 11
- Saturday, June 25: Chapters 12 and 13
- Saturday, July 2: Chapters 17 and 18
- Saturday, July 9: Chapters 19 and 20

**Exam 1: Thursday, June 9**

**Exam 2: Thursday, June 30**

**Exam 3: Tuesday, July 12**

### **Grading Breakdown**

- Problem sets are worth 20%
- Exams 1 and 2 are each worth 30%
- Exam 3 is worth 20%

### **Grading Scale**

Course final grades will be determined using the following scale

A	95-100
A-	90-94
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D+	67-69
D	63-66
D-	60-62
F	59 and below

### **Assignment Submission Policy**

All assignments are due by 11:59 PM (PST = California time) in MyLab, on dates that fall on Saturdays. **No late assignments will be accepted!**

### **Grading Timeline**

Assignment grades should be available immediately after the due date. Allow up to one week for exams to be graded.

### **Additional Policies**

This is a fast-moving summer course. Keeping up with the material is essential. That means you should attend classes regularly and complete your assignments and exams on time. As stated earlier, **no late assignments will be accepted**. Also, **no make-up exams will be given**, without valid documentation of a qualified reason.

## Course Schedule: A Weekly Breakdown

The schedule below is tentative (it approximates our weekly progress) and may be adjusted as we progress through the term.

Week 1: Introduction and Macroeconomic Measurement

Required Reading: Blanchard, Ch.1 and 2

Recommended: “Why GDP is a poor measure of progress”: <https://www.economist.com/the-economist-explains/2016/05/08/why-gdp-is-a-poor-measure-of-progress>

(you might need to search for this article on the USC libraries website as it could be behind a paywall)

Week 2: The Goods and Financial Markets, IS-LM

Required Reading: Blanchard, Ch. 3-5

Week 3: More IS-LM

Required Reading: Blanchard, Ch. 5 and 6

Recommended Reading: Aglietta, Ch. 5 and 6; “Quantitative Easing”:

<https://www.brookings.edu/blog/up-front/2015/01/21/the-hutchins-center-explains-quantitative-easing/>

Week 4 (EXAM 1 this week): Unemployment and Inflation

Required Reading: Blanchard, Ch. 7 and 8

Recommended Reading: “What are market inflation expectations and why do they matter?”

<http://www.economist.com/blogs/economist-explains/2016/01/economist-explains-13>

Week 5: The Medium Run, Long Run Growth and the Solow Model

Required Reading: Blanchard, Ch. 9-11

Recommended Reading: “The Natural Rate of Interest”: <https://www.brookings.edu/blog/up-front/2015/10/19/the-hutchins-center-explains-the-natural-rate-of-interest/>

Week 6: Technological Progress

Required Reading: Blanchard, Ch. 12 and 13

Week 7 (EXAM 2 this week): The Open Economy

Required Reading: Blanchard, Ch. 17 and 18

Recommended Reading: Aglietta, Ch. 7 and 8

Week 8: Exchange Rates

Readings: Blanchard, Ch. 19 and 20

EXAM 3 on last day of class.

## Statement 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” [policy.usc.edu/scampus-part-b](http://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>.

**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. [engemannshc.usc.edu/counseling](http://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. [www.suicidepreventionlifeline.org](http://www.suicidepreventionlifeline.org)

*Relationship and 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. [engemannshc.usc.edu/rsvp](http://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: [sarc.usc.edu](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. [equity.usc.edu](http://equity.usc.edu)

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. [studentaffairs.usc.edu/bias-assessment-response-support](http://studentaffairs.usc.edu/bias-assessment-response-support)

*The Office of Disability Services and Programs*

Provides certification for students with disabilities and helps arrange relevant accommodations. [dsp.usc.edu](http://dsp.usc.edu)

*Student Support and Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. [studentaffairs.usc.edu/ssa](http://studentaffairs.usc.edu/ssa)

*Diversity at USC*

Information on events, programs and training, the Diversity Task Force (including representatives for each school), chronology, participation, and various resources for students. [diversity.usc.edu](http://diversity.usc.edu)

*USC Emergency Information*

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. [emergency.usc.edu](http://emergency.usc.edu)

*USC Department of Public Safety – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime.*

Provides overall safety to USC community. [dps.usc.edu](http://dps.usc.edu)