Course description

Macroeconomics tries to explain economic environment and events and its dynamic at the national level. We develop variety of economic models to explain the following topics: long-term and short-term economic growth, unemployment and inflation, interest rate, budget balance and current account balance and exchange rate.

Learning Objectives:

• Understanding macroeconomic variables: Output, Employment, Inflation
• Explain how to measure each of the macroeconomic variables
• Explain long-run growth based on the Solow Growth Model
• Explain long-run growth based on the Romer Growth Model
• Define business cycles and identify different stages based on data
• Define and identify leading lagging and coincident variables.
• Explain short-run fluctuations in an economy based on the aggregate demand and supply model
• Define and identify fiscal policy and monetary policy
• Explain the effect of different macroeconomic policies based on the aggregate demand and supply model

Prerequisite:
Econ 205

Required Materials


Homework

All problem sets will be posted on the Blackboard. I will announce them in class when they are posted on the Blackboard, however, you are ultimately responsible for periodically checking the system to see whether you have work that is due. Each individual must submit their own entry, however, I encourage you to collaborate and work in groups. Detailed solutions will be posted on the web-site after the homeworks are collected. No late homeworks are accepted, EVER!
Quizzes:

There is going to be regular announced or unannounced quizzes in class based on the material discussed immediately before the quiz.

Exams

It is your responsibility to show up on time for the exams. You may not make-up any exams after the scheduled exam dates unless for a valid reason such as illness (written proof required; a job interview is not a valid reason). There will be two mid-term exams and one cumulative final.

Grading

Midterm1: 30%, Midterm2: 30%, Final: 30%, Homework: 5%, Quizzes: 5%. To calculate final grade, I will take a weighted average of exams and homework grades and assign letter grades.

\[
\begin{align*}
F & < 59 \\
D- & \leq 62 < D < 66 \\
D & \leq 69 < C- < 72 < C < 76 \\
C & \leq 79 < B- < 82 < B < 87 \\
B- & < 90 \\
B & \leq 93 < C
\end{align*}
\]

Topics – (All dates are tentative)

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Chapter</th>
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<tbody>
<tr>
<td>Aug 22</td>
<td>Introduction, Measuring Macroeconomic Data</td>
<td>1,2</td>
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<tr>
<td>Aug 29</td>
<td>Aggregate Production and Productivity</td>
<td>3</td>
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<td>Sep 5</td>
<td>Saving and Investment in Closed and Open Economies</td>
<td>4</td>
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<td>Sep 12</td>
<td>Money and Inflation</td>
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<td>Sep 19</td>
<td>The source of Growth and Solow model, Review</td>
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<tr>
<td>Sep 26</td>
<td>Midterm Exam Sep 27th, The source of Growth and Solow model</td>
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<tr>
<td>Oct 3</td>
<td>Drivers of Growth; Technology, Policy and Institutions</td>
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<tr>
<td>Oct 10</td>
<td>Business Cycles an Introduction</td>
<td>8</td>
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<td>Oct 17</td>
<td>The IS curve</td>
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<tr>
<td>Oct 24</td>
<td>Monetary policy and aggregate demand, Review</td>
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<td>Oct 31</td>
<td>Midterm Exam Nov 1st, Monetary policy and aggregate demand</td>
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<td>Nov 7</td>
<td>Aggregate Supply and the Philips Curve</td>
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<td>Nov 14</td>
<td>The aggregate demand and Supply curve</td>
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<td>Nov 21</td>
<td>Macroeconomic Policy and aggregate demand supply analysis</td>
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<td>Nov 28</td>
<td>Macroeconomic Policy and aggregate demand supply analysis, Review</td>
<td>13</td>
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<tr>
<td>Dec 13th</td>
<td>Final Exam, Tuesday 11:00 am -1:00 pm</td>
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Work Environment and Attendance Policy

- Endeavor to be on time.
- Turn cell phones off.
- In deference to those around you, refrain from talking.
- I take all forms of academic dishonesty very seriously because it damages the reputation of the school. I will report any such behavior.
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 Section 11, Behavior Violating University Standards https://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, http://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 http://equity.usc.edu/ or to the Department of Public Safety http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us. This is important for the safety 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 http://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.

Support Systems

- A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the American Language Institute http://dornsife.usc.edu/ali, which sponsors courses and workshops specifically for international graduate students. The Office of Disability Services and Programs http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html 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 http://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.
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