

USC Dornsife

Dana and David Dornsife
College of Letters, Arts and Sciences

ECON 305: INTERMEDIATE MACROECONOMIC THEORY

INSTRUCTOR: Jaime Meza-Cordero, Ph.D.

EMAIL: Jaime.Meza@usc.edu

OFFICE: KAP 116E

OFFICE HOURS: Monday: 10:00am – 12:00noon

Outlook appointments are required to book 20-minute time slots.

TEACHING ASSISTANT: TBD

EMAIL: TBD

OFFICE HOURS: TBD

SECTION: 26087

CLASSROOM: SOS B46

CLASS DAYS AND TIMES: Mondays & Wednesdays: 12:30pm – 1:50pm

CLASSROOM POLICY: Smartphones must be on silent and placed away during class. Laptops may be used only to take notes or to refer to course materials. Every student is expected to pay attention during class and can be asked to participate at any time.

Students are expected to comply with all aspects of USC's student safety policy, including mask mandates. Failure to do so may result in removal from the class and referral to Student Judicial Affairs and Community Standards.

TEXTBOOK: The recommended textbook is Macroeconomics, 8th Edition, by Olivier Blanchard. Pearson Publishing. Available from:

<https://www.pearson.com/en-us/subject-catalog/p/macroeconomics/P200000005834/9780136713883>

COURSE OVERVIEW: The purpose of this course is to teach you the core macroeconomic concepts and their application to policy. Macroeconomics studies the nature and causes of economic fluctuations and is applied in individual and industry everyday decisions, government policy, and academic research. This course will aim to effectively combine economic theory with practical applications as we progress through the material. The first part of the course will review the role of the aggregate demand, interest rate, aggregate supply, labor market, and unemployment in production and growth. The first part will also cover the role of human capital accumulation, investment and technological progress on long-term productivity. The second part of the course will cover the role of expectations on production, international trade and finance, and fiscal and monetary policy.

My main goal delivering this course is to share with you valuable and useful information in a way that is dynamic, entertaining, and motivating. Macroeconomics is an exciting subject that will be very useful for solving the most important issues facing the world today. It also serves as great background for a variety of careers in the social sciences and business. I encourage you to attend and participate in class as we all learn together and build strong collaborative skills. I also suggest that you take advantage of the office hours to answer any remaining questions and to discuss further any topics of your interest.

CLASS PARTICIPATION AND COMMUNICATION: You are expected and strongly encouraged to attend all scheduled classes, to engage in asking questions, and to participate in discussions. It is recommended to read beforehand the chapters that are going to be covered each week. If you do not attend a class, it is your responsibility to make arrangements to ensure you catch up on the material covered and on any other information provided. Lectures, announcements, problem sets, and additional resources will be posted on Blackboard. Blackboard will also be used for official submissions.

Email is the best way to contact me for any material clarification questions or administrative requests. If any material is unclear, please schedule an office hour time slot with me by sending me an Outlook calendar meeting invite.

PROBLEM SETS: Six problem sets will be assigned as homework. The problem sets will be distributed one week in advance of the due date, during class. You may discuss problem sets with your classmates, but you must solve, write up, and submit solutions entirely on your own. Please upload your solved problem set at the start of class on the date indicated, they will be graded. Blackboard will have the due day and time as a deadline. Do not wait until the last minute to upload. Late submissions will be automatically rejected and will receive a score of zero. One problem set will consist of a 20-minute classroom presentation of a current macroeconomic topic assigned by the professor.

Data Sources:

- U.S.: The FRED database at the St. Louis FED <http://research.stlouisfed.org/fred2>
 - EU: Eurostat: <http://ec.europa.eu/eurostat/data/database>
 - Euroarea: www.eabcn.org
 - OECD: <http://stats.oecd.org>
 - International Monetary Fund <http://data.imf.org>
 - World Bank World Development Indicators: <http://data.worldbank.org/>
 - Penn World Tables at the Center for International Comparisons at the University of Pennsylvania <http://pwt.econ.upenn.edu>
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MIDTERM AND FINAL EXAMINATIONS: There are two midterm examinations (20% each) and one cumulative final exam (30%). All exams are open book, and collaboration is not allowed. All responses must be answered independently and within the time limit indicated.

Make-up exams will only be held if you have valid and approved proof for missing an examination (characterized by severe and unforeseen hardship, and substantiated with documentation, as required by the University). Importantly, if you miss an examination without a valid and approved reason, you will receive a score of zero for that examination.

ACADEMIC INTEGRITY: Cheating on your assignments or exams (for example, copying someone else's work) will result in a score of zero. Violations will also be reported to the University Authorities and sanctions will be enforced in accordance Section 11 of the USC Student Handbook.

GRADING: Your plus/minus letter grades will be assigned using a cumulative score based on six problem sets (homework assignments), two midterm exams, and a final exam, weighted as follows:

Problem sets: 30% (5% each)

Midterm exam # 1: 20%

Midterm exam # 2: 20%

Final exam: 30%

Final grades will be assigned based on 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

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. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Student Health Counseling Services - (213) 740-7711 – 24/7 on call
engemannshc.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-4900 – 24/7 on call
engemannshc.usc.edu/rsvp

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED) | Title IX - (213) 740-5086
equity.usc.edu, titleix.usc.edu

Information about how to get help or help a survivor of harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The University does not tolerate any form of discrimination, sexual misconduct, and harassment. Any incident should be reported to the Office of Equity and Diversity or to the Department of Public Safety. Another member of the USC community (friend, classmate, advisor, faculty) can help initiate a report. The office of Relationship and Sexual Violence Prevention Services provides “immediate therapy services for situations related to gender and power-based harm (sexual assault, domestic violence, stalking).”

Bias Assessment Response and Support - (213) 740-2421
studentaffairs.usc.edu/bias-assessment-response-support

Avenue to report incidents of bias, hate crimes, and microaggressions for appropriate investigation and response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs. Students requesting academic accommodations based on disability need to register with DSP early in the semester and deliver a letter of verification to the professor at least one week before the first midterm exam.

USC Support and Advocacy - (213) 821-4710
studentaffairs.usc.edu/ssa

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101
diversity.usc.edu

Information on events, programs and training, the Provost’s Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call
dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call
dps.usc.edu

Non-emergency assistance or information.

COURSE OUTLINE:

(THE COURSE OUTLINE IS SUBJECT TO CHANGE CONTINGENT ON THE PROGRESS MADE DURING THE LECTURES. PLEASE REFER TO THE LATEST UPDATE OF THE SYLLABUS ON BLACKBOARD.)

DATE	CONTENT	BOOK CHAPTER(S)
	Introduction to Course	1 & 2
	The Goods Market	3
	Financial Markets	4
	Goods and Financial Markets: IS-LM Model	5 <i>PS1 Posted</i>
	The Extended IS–LM Model	6
	The Labor Market	7 <i>PS1 Due</i>
	Unemployment and Inflation: Phillips Curve	8
	Unemployment and Inflation: Phillips Curve	9 <i>PS2 Posted</i>
	Current Inflation	<i>To be distributed</i>
	Growth	10
	Saving and Capital Accumulation	11 <i>PS2 Due</i>
	Technology	12
	Growth Challenges	13
	Financial Markets and Expectations	14 <i>PS3 Posted</i>
	Expectations, Consumption, and Investment	15
	Midterm Preparation	<i>PS3 Due</i>
	Midterm 1	3-14
	Midterm 1 Review	
	Expectations, Output, and Policy	16
	Openness in Goods and Financial Markets	17
	The Goods Market in an Open Economy	18 <i>PS4 Posted</i>
	Output, Interest Rate, and Exchange Rate	19
	Exchange Rate Regimes	20 <i>PS4 Due</i>
	Macroeconomic Policymaking	21
	Fiscal Policy	22 <i>PS5 Posted</i>
	Monetary Policy	23
	Midterm Preparation	24 <i>PS5 Due</i>
	Midterm 2	15-23
	Midterm 2 Review	

Final Exam Preparation

Final Exam

3-23
