

**DEPARTMENT OF ECONOMICS
INTERMEDIATE MACROECONOMICS**

Fall 2020

Class Meeting:	Tuesday, Thursday 2.00pm - 3:50pm
Class Location:	Online, Zoom via Blackboard
Office Hours:	Zoom via Blackboard, Wednesday 10.00am – 11.00am, or by appointment
Email:	cbetts@usc.edu
Teaching assistant:	Sam Boysel
Teaching assistant email:	boysel@usc.edu

GOALS

To develop macroeconomic data collection, management, and analytical skills; to develop a coherent theoretical framework for students to understand the macroeconomic data and events they observe, and especially the sources of business cycle fluctuations and long-run economic growth; to introduce the mathematical and diagrammatic tools needed to analyze macroeconomic models; to encourage critical analysis of contemporary macroeconomic policy issues and actions, and media reporting on policy, using the empirical, theoretical, and analytical tools learned in the class.

STRUCTURE

There are two lectures per week, and discussion sessions with the teaching assistant (TA) if time allows, all conducted through Zoom. Attendance at all classes, including TA discussion sessions, is strongly encouraged for the purpose of mastering course material, familiarity with all topics taught, and with class discussion of the topics – aspects of which may be included on examinations. In addition, both the professor and TA hold weekly office hours for students to benefit from one-on-one interactions concerning the course material. Students are encouraged to attend these office hours.

GRADING AND EXAMS

There is a mid-term examination, a final examination, and six written take home assignments during the semester. Your performance in the course and final grade will be determined according to the following weighting scheme:

Midterm Exam:	Thursday September 24th, 2.00 PM - 3.50 PM	(35%)
Final Exam:	Tuesday November 17th, 2.00 PM - 4.00 PM	(35%)
Assignments:	Six, every two weeks, approx.	(30%)

This weighting is immutable. The instructor is not permitted by the university to allow or offer “make-up” work to enhance a final grade. The final examination is not cumulative.

The material on all assignments and examinations is highly weighted toward problems and graphical analysis based on the textbook chapters studied. There are also assignment problems that require the collection and analysis of macroeconomic data. The mid-term and final examinations may contain questions relating to class and TA discussion of this data analysis.

The midterm and final examinations can be made up, if missed, only due to a serious illness, not simply a note saying you consulted a doctor on the day of the exam. There are no make-ups of assignments; a missing assignment results in a grade on that assignment of zero. If a student knows in advance of a necessary absence from an exam, e.g., because of an important job interview, or a family funeral, it may be possible to arrange to take the exam in advance if sufficient advance notice and the instructor’s permission are given. Students must submit each of the six written assignments on or before the deadline, which is announced in class and via Blackboard and will be written on the assignment itself.

Note that examinations will be conducted live via Zoom, with your camera “on” mandatory so that the TA and the instructor can proctor the examination appropriately.

REQUIRED TEXTBOOK

Olivier Blanchard, *Macroeconomics* 7th Edition Prentice Hall Addison-Wesley, 2017. Additional readings will be assigned in class.

RECOMMENDED READING

The Economist, Wall Street Journal

ACADEMIC ACCOMMODATIONS

Any student requesting academic accommodations based on a disability is required to register with Office of Student Accessibility Services (OSAS) each semester. Such a student must acquire a letter of verification for approved accommodations from OSAS and deliver it to the instructor as early as possible in the semester. OSAS is located in GFS 120 and is open 8.30am-

5.00pm, Monday through Friday. The phone number for OSAS is (213) 740-0776 and the website address is <https://osas.usc.edu/>.

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”. 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>.

Class notes provided online by the instructor are for your personal study use only. They are the property of the instructor, and cannot be shared electronically or in hard copy, or sold, or otherwise transferred to any other person, business, or institution.

Discrimination, sexual assault, intimate partner violence, stalking, and harassment are prohibited by the university. You are encouraged to report all incidents to the *Office of Equity and Diversity/Title IX Office*, <http://equity.usc.edu>, and/or to the *Department of Public Safety* <http://dps.usc.edu>. This is important for the health and safety of the whole USC community. Faculty and staff must report any information regarding an incident to the Title IX Coordinator who will provide outreach and information to the affected party. The sexual assault resource center webpage <http://sarc.usc.edu> fully describes reporting options. Confidential relationship and sexual violence services are available 24/7 at <https://engemannshc.usc.edu/rsvp>.

SUPPORT SYSTEMS

Several USC 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://ali.usc.edu>, which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs* <http://dsp.usc.edu> provides certification for students with disabilities and helps arrange the relevant accommodations.

NOTE

This course is a demanding one and should not be taken with too heavy a course load. Since it is a course that builds up from simple models at the beginning of the course to more complex ones later, it is extremely important to keep up with assignments. In studying for exams, I recommend that students do all the questions at the end the textbook chapters and review all questions and answers on assignments and the mid-term exam.

COURSE OUTLINE AND SCHEDULE

I. INTRODUCTION

1. Introduction to the course and to macroeconomics: Chapters 1, 2
2. Measurement and Structure: Chapter 2 and Appendix 1

II. SHORT RUN MACROECONOMIC ANALYSIS

3. The Goods Market Chapter 3
4. Financial Markets I Chapter 4
5. Goods and Financial Markets (IS-LM) Chapter 5
6. Financial Markets II Chapter 6

III. MEDIUM RUN MACROECONOMIC ANALYSIS

7. Labor Market Chapter 7
8. The Phillips Curve and Natural Rate of Unemployment Chapter 8
9. Putting all the Markets Together, the Short to the Medium Run Chapter 9

IV. LONG RUN MACROECONOMIC ANALYSIS

10. Growth Facts Chapter 10
11. Saving, Capital Formation and Output Chapter 11
12. Technological Change and Growth, Chapters 12 and 13

V. THE OPEN ECONOMY

15. Openness in Financial and Goods Markets Chapters 18 and 19
16. Exchange Rates and the Macroeconomy Chapters 20 and 21