

USC Economics

Dana & Dornsife

College of Letters, Arts and
Sciences

Econ 205 Principles of Macroeconomics

Units: 4

Fall 2015—Tue, Thu—12.30–1.45pm

Location: GFS 207

Instructor: Rubina Verma

Office: KAP 316A

Office Hours: Tuesdays and Thursdays 4:15 pm–5:15pm

Email: rubinave@usc.edu

Teaching Assistant: Jeonghwan Yun

Office: TA Room/KAP 363

Office Hours: Tue 3:00-5:00pm, Wed 12:00-2:00pm

Email: jeonghwy@usc.edu

Course Description

This course is an introductory macroeconomics course for undergraduates. It will focus on key macroeconomic concepts such as how is a country's income calculated, understanding the behavior of prices, savings, investment and their role in economic growth of a nation. We will also spend some time understanding the monetary system in an economy and the role played by prices, inflation and money supply. Finally we will end with discussing basic concepts in open economy macroeconomics – i.e. a nation's economic interactions with other nations.

The textbook for this course is *'Principles of Macroeconomics by N. Gregory Mankiw', 7th edition*. We will closely adhere to the textbook. Before each topic, slides will be uploaded by the instructor on *blackboard (blackboard.usc.edu)*. If you wish to use technological devices such as Laptops or Tablets, please note that during lecture if I find you browsing the internet or doing any other tasks, you will be asked to leave the lecture and your laptop privileges will be suspended henceforth. **Reading the textbook is mandatory**. Reading the text is imperative for a clear and comprehensive understanding of the material.

Each class will be lecture style; at the end of the class I will have some time for questions from students. We will often solve short questions in class as well. **You will not be permitted**

to enter the room later than 10 minutes from when the class starts. In addition to lectures, there will be weekly discussion sessions held by the teaching assistant. **Attendance in these discussion sections is mandatory.** In addition to attending the discussion sections, you are strongly encouraged to visit the TA during the weekly office hours to solve any doubts or ask questions.

Course Tools

We will use a combination of graphs, algebra and intuition. While the course is not very mathematical, it will involve solving numerical problems associated with important theoretical concepts. Hence, a student should have a good grasp of algebraic skills.

Learning Objectives

At the end of this course, the student will be able to understand a lot of the current economic events one reads in the press. This course will also provide the student with a foundation to take other higher level macroeconomics and international economics courses.

Practice Questions

Questions at the end of each chapter are great practice questions for the exam, as well as your understanding of the material. I will also post some review questions before the exams.

Feel free to discuss these with me or the TA during office hours.

Homework Assignments and Grading

There will be 9–10 short homework assignments comprising of short answer questions. These will be uploaded on blackboard and will be assigned weekly. These will be turned in to me in lecture on the due date; In order to submit the homework the student must be present in the lecture. I will **not** accept assignments of students who are absent from lecture. The TA will go over the solutions to the homework in detail in the discussion.

There are no make-ups of assignments; a missing assignment results in a grade on that assignment of zero and there is a zero tolerance policy towards late assignments. Contacting the Professor/TA later with excuses or sending pictures of homeworks via email will not be accepted as submitting a homework.

Exams

There will be two midterm exams and one final exam during the course. The final exam will be cumulative. The exams will comprise of multiple choice and short answer questions which could be based on theoretical concepts, numerical problems and graphical analysis based on the textbook chapters.

Exam Makeup Policy

The midterm and final examinations can be made up only on the basis of a serious illness, not simply a note saying you consulted a doctor on the day of the exam. If a student knows in advance of a necessary absence from a midterm exam, you must talk to the professor and if your case is approved then the student will receive double the weight of the other midterm.

Course Evaluation

Your final course grade will be decomposed as:

Student Attendance in discussion	10 %
Midterm Exam I	20%
Midterm Exam II	20%
Homework assignments	20%
Final Exam	30%

Disabilities

Students requesting academic accommodations based on a disability are required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP when adequate documentation is filed. Please be sure that this letter is delivered to me as early in the semester as possible and if possible before the first assignment is due to be submitted.

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.

Course Content

Throughout the course we will discuss the following topics:

1. Ten Principles of Economics – Chapter 1
2. The Market Forces of Supply and Demand – Chapter 4
3. Measuring a Nation's Income- Chapter 10
4. Measuring the Cost of Living- Chapter 11

MIDTERM I (FEBRUARY 9TH, TUESDAY)

5. Production and Growth- Chapter 12
6. Saving, Investment, and the Financial System- Chapter 13
7. The Basic Tools of Finance- Chapter 14
8. Unemployment- Chapter 15

MIDTERM II (MARCH 8TH, TUESDAY)

9. The Monetary System- Chapter 16
10. Money Growth and Inflation- Chapter 17
11. Open-Economy Macroeconomics: Basic Concepts- Chapter 18
12. A Macroeconomic Theory of the Open Market- Chapter 19

FINAL EXAM (MAY 11TH, WEDNESDAY 2-4 P.M.)