Faculty: SHANE MOSHIRI
MACROECONOMIC ANALYSIS

ECNM 612.15 MS
SPRING 2015
FRIDAYS
8:00 -12:00 PM
Session B
MALIBU GRADUATE CAMPUS

SYLLABUS
MACROECONOMIC ANALYSIS
ECNM 612.15 MS
Session B
Spring 2015

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COURSE OUTLINE
The whole of science, Einstein maintained, "is nothing more than the refinement of everyday thinking." Economics, like other academic disciplines, combines various theoretical models and empirical evidence in order to analyze and explain complexities of economic behavior by households, firms, and the public sector. Adequate understanding economic behavior makes it possible to comprehend, explain, and predict certain aspects of the dynamic of what Einstein refers to as "everyday thinking" in the broader context of the macro economy.

At the Macroeconomic level, recurrence of business cycles, price instability, and the fluctuations in GDP growth rates provide us with some degree of predictability and insights into the economic behavior of individuals, firms, and institutions. A firm forecasting the demand for their products must predict how fast consumer incomes will grow. Those living on fixed incomes wonder how fast prices would rise. The jobless wonder how quickly new jobs will be created. In short, it can be inferred that the level of economic activity and the state of the economic growth exert considerable impact on the economic behavior of the households as well as business firms both at the micro as well as the macro levels.

COURSE OBJECTIVE
This course is designed to impart theoretical as well as practical knowledge in an effort to enable students develop the technical skills to engage in interpretation and critical analysis of current economic issues through application of macroeconomic concepts to business decision-making within the domestic as well as international context.

In the course of the session, students will be introduced to a variety of economic models intended to enable students to acquire an understanding of the underlying causes of cyclical fluctuations and the consequent impact on the level of employment, price level, and interest rates. Students will have an opportunity to learn macroeconomic stabilization policies of monetary and fiscal policies designed to regulate business cycles, aggregate spending, the levels of investment, and employment. Given the connection between productivity growth and national income, we shall also examine the impact of technology innovations on productivity growth, accumulation of capital and economic growth.
REQUIRED TEXTS

- Required on-line assignments to be acquired from the publisher at an additional fee
- www.mcgrawhillconnect.com

RECOMMENDED READING
The following are intermediate to advanced level texts which offer a more specialized treatment of various macroeconomic concepts and include applications for practitioners.


- For coverage of non-technical non-specialized business news students are advised to read the following publications: *Wall Street Journal*, the "Margin Magazine, Barren's, the Economists or Business Week.*

There exist extensive array of scholarly economic journals intended for peer-review. These are far too technical for introductory and intermediate students. The following publications, however, cover general, non-specialized, and in-depth treatment of recent developments in economics and economic policy debates. There are frequent contributions by mainstream and liberal economists. These include:

*Challenge Magazine*. Unlike *Business Week* or the *Economist*, this magazine covers economic policy debates. It also includes "recommendation for further reading."

**Economic Journals**

*Journal of Economic Perspectives*-many of the papers in JEP are commissioned surveys for non-specialists and most are written by well-known experts in the field. It contains recommendation for further readings.
**American Economic Review.** Only the May issues are accessible to non-specialist. The AER publishes articles presented in the proceeding January at the annual meeting of an *American Economic Association.*

**Journal of Economic Literature.** This is a great place to begin research for the term paper. The JEL is a reference publication, which includes current articles in economics, book reviews, and article abstracts.

**Journal of Political Economy.** This is a specialized and highly technical (erudite) scholarly publication which is not always accessible to the non-specialized readers. However, the journal addresses the current macroeconomics as well as microeconomic topics.

**RECOMMENDED SOURCES FOR RESEARCH**

The following Publications contain wealth of comprehensive data for research. They include:

- Department of Labor, Bureau of Labor Statistics
- US Department of Labor: Bureau of Economic Analysis
- Survey of Consumer Expenditure, University of Michigan Survey Research Center.
- National Longitudinal Survey of Labor Force Behavior (by center for Human Resource Development at Ohio State University)
- Economic Report of the President.
- Survey of Current Business
- Historical Abstract of United Stases.
- Various publications by United Nations
- The IMF Survey
- The CIA publications

**Method of Evaluation/Examination**

There will be three on-line exams of multiple choice variety. The electronically administered in-class exams will cover both lectures as well as textbook materials. Students are required to take the tests on the scheduled dates and times as no “make-up” or “incomplete” will be given.

**NOTE:** Neither the publisher nor the instructor accept responsibility for computer malfunction prior or during the exams. It is the student responsibility to bring a fully functional PC to the exam.

- The exams cannot be re-taken once they are administered.
- No time extension can be provided due to inoperative/malfunctioning computer prior or during the exams.
A Word of Advice: Lectures are designed to supplement the textbook. Students are expected to study the assigned chapters fully and thoroughly prior to the class meeting and independent of lectures.

Grades will be determined according to the following distribution. A "class curve" will not be used to affect final grades.

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Test (2 @ 20 points 30 minutes each)</td>
<td>40</td>
</tr>
<tr>
<td>Final (40 questions, 60 minutes)</td>
<td>40</td>
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<tr>
<td>Term Paper</td>
<td>30</td>
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<tr>
<td>Homework Assignments</td>
<td>5</td>
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<tr>
<td>Survey (Due April 10)</td>
<td>2</td>
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</tbody>
</table>

There will be a total of 117 points available.

GRADING POLICY
The university grading scale will be used in computation of the final course grade. The following ranges will illustrate the grading scale.

- 94-100% = A
- 90-93.9% = A-
- 87-89.9% = B+
- 84-86.9% = B
- 80-83.9% = B-
- 77-79.9% = C+
- 74-76.9% = C
- 70-73.9% = C-
- 67-69.9% = D+
- 64-66.9% = D
- 60-63.9% = D-
- <60% = F

A Word of Advice
One’s grade on the first test will most likely be indicative of the final grade in this course. Less-than-satisfactory score on the first test (i.e., less than a C+) should be treated seriously as a “red flag.” In such a circumstance, the student is advised to re-evaluate one’s studying habit and by spending significantly more time on the textbook and assignments.

Grades are earned through diligence and focused effort. The course grade is mainly determined by the level of effort exerted and knowledge of the course acquired in the subject. Those whose grade on the mid-term is less than a C+ are strongly advised to take the initiative of contacting the instructor for feedback and possible arrangement for tutorials. The final course grade is not guaranteed.
REQUIRED ON LINE ASSIGNMENT
In order to deepen understanding of the macroeconomics concepts covered in class and ensure satisfactory performance on the tests, students are strongly advised to spend several hours (per chapter) on the MCQs and T&F questions as well as the essay problems contained in the student study guide. The assignments will be found at the publishers website “connect.” Students are encouraged to raise questions regarding the homework assignments in class or during my office hours.

TERM PAPER
In addition to the exams, a research paper will be required. Students have the option of choosing their own team members not exceeding three. The paper will be a reflective of collaborative effort and is to be written in accord with scholarly and academic standards. It is expected the prospective research and data will not be confined exclusively to the daily newspapers, magazines, or the internet-related sources. The paper should make use of at least one of the above-mentioned (scholarly) economic journals as well as other related academic research and books in the discipline.

The topic of choice may include anything in the area of Macroeconomics. The length of the paper should be limited to approximately ten to fifteen pages (single-spaced) with an in-class presentation of the same, depending on the class size, by all participants not exceeding fifteen minutes.

An abstract of the proposed topic is to be submitted electronically from March 8 and no later than March 20.

ATTENDANCE
Students are expected to attend all the scheduled meetings regularly. Those who miss more than four (4) hours of class will be required to provide convincing and compelling excuse/reason.

Policy on Recording Lectures
No audio or video part or portion of the lectures is to be recorded without the prior consent of the instructor.

- The following represents the university’s standard of academic conduct.

Conduct
"The university expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with its Christian philosophy and purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional Christian values is not acceptable."
The following regulations apply to any person, graduate or undergraduate, who is enrolled as a Pepperdine University student. These rules are not to be interpreted as all-inclusive as to situations in which discipline will be invoked. They are illustrative, and the University reserves the right to take disciplinary action in appropriate circumstances not set out in this catalog. It is understood that each student who enrolls at Pepperdine University will assume the responsibilities involved by adhering to the regulations of the University. Students are expected to respect order, morality, personal honor, and the rights and property of others at all times. Examples of improper conduct for which students are subject to discipline are as follows:

- Dishonesty in any form, including plagiarism, illegal copying of software, and knowingly furnishing false information to the University.
- Forgery, alteration, or misuse of University documents, records, or identification.
- Failure to comply with written or verbal directives of duly authorized University officials who are acting in the performance of assigned duties.
- Interference with the academic or administrative process of the University or any of the approved activities.
- Otherwise unprotected behavior that disrupts the classroom environment.
- Theft or damage to property.
- Violation of civil or criminal codes of local, state, or federal governments.
- Unauthorized use of or entry into University facilities.

Violation of any stated policies or regulations governing student relationships to the University.

Disciplinary action may involve, but is not limited to, one or a combination of the alternatives listed below.

**Dismissal** separation of the student from the University on a permanent basis.

**Suspension** separation of the student from the University for a specified length of time.

**Probation** status of the student indicating that the relationship with the University is tenuous and that the student's records will be reviewed periodically to determine suitability to remain enrolled. Specific limitations to and restrictions of the student's privileges may accompany probation. "GSBM Catalog, pgs. 192-193.

**Policy on Disabilities**

**Assistance for Students with Disabilities.**

"Students with disabilities, whether mental or physical, are encouraged to contact the Equal Opportunity Office before the academic year begins or soon after classes are in session.

This office will assist each student by providing general information about campus facilities and available resources. The office will assist in providing reasonable accommodation to students with disabilities pursuant to applicable laws. Inquiries should be directed to equal opportunity officer, Dr. Calvin H. Bowers, (310) 456-4208. (Students who wish to file a formal grievance should refer to the "Nondiscrimination Policy," which is listed in the "Legal Notices" section of this catalog.) GSBM Catalog, pg. 31.

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The ensuing outline will serve to organize the seven weeks of the session. The exam dates are tentative and may be changed if the need arises. In addition to the following, some supplemental (required) reading may be assigned in due course.

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Topic</th>
<th>Reading</th>
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<tbody>
<tr>
<td>March 6</td>
<td>Measuring Domestic Output and the Price Level……………..Ch.7**</td>
<td>Required On Line ASSIGNMENT: Chapter 7. All T &amp; F and MCQs.</td>
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<td></td>
<td>Macroeconomics Instability: Cyclical Fluctuations, Unemployment and Inflation…………………………………Ch. 9</td>
<td>ASSIGNMENT: Ch 9. All T &amp; F and MCQs.</td>
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<tr>
<td>March 13</td>
<td>Exam 1: Chapters 7 and 9. (Thirty minutes)</td>
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<tr>
<td>March 13</td>
<td>Fundamental Macroeconomic Principles: Classical and Essentials of the Keynesian Economic Models…………………………………..Ch. 10 &amp;11*</td>
<td>Required On Line ASSIGNMENT: Chapters 10. All T &amp; F and MCQs</td>
</tr>
<tr>
<td>March 20</td>
<td>Aggregate Demand and Aggregate Supply……………………………………………Ch. 12</td>
<td>Required On Line ASSIGNMENT: Ch. 12. All T &amp; F and MCQs.</td>
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<tr>
<td>March 27</td>
<td>Exam 2: Chapters 10 and 12. (Thirty minutes)</td>
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<tr>
<td>Lecture</td>
<td>Topic</td>
<td>Reading</td>
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<td>April 3</td>
<td>Macroeconomic Stabilization Policy:</td>
<td>Ch. 16</td>
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<td></td>
<td>The Federal Reserve and Monetary Policy and Interest Rates</td>
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<td>Required On-Line ASSIGNMENT:</td>
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<td>Chapters. 16. All T &amp; F and MCQs.</td>
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<tr>
<td>April 10</td>
<td>Macroeconomic Stabilization Policy:</td>
<td>Ch 13</td>
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<td>Fiscal Policy</td>
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<tr>
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<td>On-line ASSIGNMENT:</td>
<td>Chapter 13. All T &amp; F and MCQs.</td>
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<td>April 17</td>
<td>Final. CUMULATIVE.</td>
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<td></td>
<td>Group Presentations*</td>
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** Required Independent Reading

*Tentatively Scheduled.*
Important Dates:

March 13  
Exam 1: Chapters 7 and 9. (Thirty minutes)

March 27  
Exam 2: Chapters 10 and 12. (Thirty minutes)

March 3-20  
Abstract of term paper topic deliverable electronically

April 10  
Screen shot of Survey deliverable

April 17  
Final. Cumulative. (Sixty minutes)  
In–class Presentation*. Paper deliverable

- Availing ourselves to the Principle of Academic Freedom, the scheduled topics will be discussed within the context of broader economy (if and when applicable) in order to make the necessary connection between economics models and actual economic events and to demonstrate the essential connection between theory and social policy.

- The use of PC is disallowed while class in session.
- Consumption will be limited to beverages, only.
- The dates for the lectures as well as the tests are tentative and may be changed, if necessary.

Policy on Recording Lectures
No audio or video portion of the lectures is to be recorded without the prior consent of the instructor.

NOTE: The instructor reserves the prerogative to modify or alter the current course syllabus if the need arises.