ECONOMICS 110B - SPRING 2003
MACROECONOMICS

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Classroom:	HSS 2250
Class Time:	TuTh 2:00 - 3:20 p.m.
Class Web Page:	http://weber.ucsd.edu/~gpeters/econ110b/

COURSE DESCRIPTION

Why do some countries have rapidly rising living standards, while others do not? What were the causes of the financial crisis in Mexico in 1994-1995? Should the U.S. choose a fixed or a floating exchange rate? These are just some of the important questions that will be discussed in Economics 110B.

This course is a continuation of Economics 110A, and will build upon the models presented in that class. We will extend the basic short-run IS-LM model to include an analysis of international trade. We will discuss various theories of consumption and investment that provide microeconomic foundations for our macroeconomic models. We will talk about the creation of money, and the ways in which the Federal Reserve Bank influences interest rates. We'll look at long run growth models used by macroeconomists to understand how countries grow and develop. We'll finish the course by summarizing the major economic lessons learned and questions yet to be answered.

PREREQUISITES

The prerequisite for Economics 110B is Economics 110A.

TEXTS

The required text for this class is Macroeconomics, 5th Edition, by N. Gregory Mankiw. The Student Guide and Workbook by Roger Kaufman is not required **but strongly recommended**. This study guide contains hundreds of questions and problems (with answers) that will prove helpful in learning to solve macroeconomic problems.

COURSE READINGS

We will be covering chapters 5, 7, 8, 12, 16-19, and the Epilogue from Mankiw's text. The reading assignments for each lecture are outlined in the class schedule below. Lectures will focus on the more difficult material in the readings, but you will be responsible for all of the material in each chapter. You will get a lot more out of this class if you read the required chapters before each lecture.

ATTENDANCE

Class attendance is an individual student responsibility. Although daily attendance is not recorded, the lectures will be more mathematical than the text, and I will provide examples during lectures that don't appear in the textbook but are fair game for examination. Thus, frequent absences may adversely affect performance.

CLASS SCHEDULE

Month	Day	Reading Assignment
April	1	Chapter 5 (Review Chapter 3)
	3	Chapter 5
	8	Chapter 5
	10	Chapter 12 (Review Chapters 10, 11)
	15	Chapter 12
	17	Chapter 12
	22	**Midterm I (Chapters 5, 12)**
	24	Chapter 16
	29	Chapter 16
May	1	Chapters 16, 17
	6	Chapter 17
	8	Chapters 17, 18
	13	Chapter 18
	15	**Midterm II (Chapters 5, 12, 16-18)**
	20	Chapter 7
	22	Chapter 7
	27	Chapters 7, 8
	29	Chapter 8
June	3	Chapter 19
	5	Chapter 19
	11	**Final Exam (Chapters 5, 7, 8 , 12, 16-19)**

PRACTICE PROBLEMS

A course reader including review questions, practice problems, and exams from previous quarters will be available from the AS Soft Reserves. Additionally, solutions to the problems at the end of each chapter in Mankiw's text are available at the reserve desk of Geisel Library. You are strongly encouraged to work through these problems with your classmates since you will see similar problems on exams. These problems will not be collected and will not be graded.

EXAMINATIONS

Two midterm exams and one final exam will be given in this section. The midterm exams will be given in class on April 22, 2003 and May 13, 2003. The final exam will be given on Wednesday, June 11, 2003 from 3:00 – 6:00 p.m. All three exams will be comprised of analytical problems and multiple-choice questions. No calculators, study aids, or notes will be allowed in these exams.

Midterm exams will be administered in HSS 2250 at the beginning of class and will last exactly eighty (80) minutes. The final exam will be administered in HSS 2250 and will last exactly three (3) hours. Students who arrive late will not receive extra time to complete their exam. Once a student completes the exam, then no other student will be permitted to start the exam.

Students must take all exams at the scheduled time and place.

Cheating on exams will result in a grade of zero on the exam and will be brought to the attention of the Dean.

emergency situation). Students who make initial contact after the exam will have to document why they could not make contact prior to the exam. In addition, any student who misses an exam due to physical illness will be required to provide documentation from a licensed health care professional indicating why the student was physically unable to take the exam. All documentation and an additional signed written statement explaining the relevant circumstances of the absence must be provided to the instructor within two working days of the student's return to campus. Failure to comply with any of the above in the specified manner will result in a grade of **zero (0)** for the exam.

GRADING

Numerical grades for the class will be assigned as follows:

Midterm I	=	20%
Midterm II	=	30%
Final Exam		50%
Total	=	100%

Here is a simple example. Suppose that a student received the following scores:

Midterm I = 68.0%   Midterm II = 62.5%   Final Exam = 76.0%

Step 1: Calculate a weighted average of the percent scores.

Final percent score = 0.2 (Midterm I %) + 0.3 (Midterm II %) + 0.5 (Final Exam %)
$\Rightarrow$ Final percent score = 0.2 (68.0 %) + 0.3 (62.5 %) + 0.5 (76.0 %)
$\Rightarrow$ Final percent score = 13.6 % + 18.75 % + 38.0 %
$\Rightarrow$ Final percent score = 70.35 %

Step 2: Round your final percent score to the nearest whole number using the standard mathematical rules for rounding (i.e., 62.4 % rounds down to 62 %, and 62.5 % round up to 63 %).

$\Rightarrow$ Final percent score (rounded to the nearest whole number) = 70 %

Step 3: Find the letter grade in the scale provided below.

Letter	A	A-	B+	B	B-
Numerical Range	87 % - 100 %	82 % - 86 %	77 % - 81 %	74 % - 76 %	70 % - 73 %

Letter	C+	C	C-	D	F
Numerical Range	67 % - 69 %	64 % - 66 %	60 % - 63 %	50 % - 59 %	0 % - 49 %

For this student, the final letter grade would be B-.