Economics 110B/110BH – Winter 2002
Macroeconomics

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Office Hours:	TuTh 10:30 a.m. - 12:30 p.m. and by appointment.
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Classroom:	HSS 2250
Class Time:	TuTh 3:55 p.m. – 5:15 p.m.
Class Web Page:	http://weber.ucsd.edu/~gpeters/ec110b/

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 fixed or floating exchange rates? 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. 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, Fourth Edition by N. Gregory Mankiw. This textbook is available in paper form at the UCSD bookstore and other booksellers. This textbook is also available in a digital version for your computer through a company called WizeUp Digital Textbooks. Instructions on how to access the computer version will be provided on the first day of class and on the class webpage.

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.

Throughout the quarter you will also be required to read Peddling Prosperity: Economic Sense and Nonsense in the Age of Diminished Expectations by Paul Krugman.

Course Readings

We will be covering chapters 4, 5, 8, 12, 16-19, and the Epilogue from Mankiw's text, and Krugman's book in its entirety. 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 frequently provide examples during lectures that don't appear in the textbook but are fair game for examination. Thus, frequent absences may adversely impact performance.

Practice Problems

Review questions and practice problems for each chapter are posted on the class website. 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 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 January 29, 2002 and February 21, 2002. The final exam will be given on March 22, 2002 from 3:00 p.m. - 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 the exam.

Midterm exams will be administered at the beginning of the class and will last exactly eighty (80) minutes. Students who arrive late will not receive extra time to complete their exam.

The final exam will last exactly three (3) hours. Once a student completes the exam, then no other student will be permitted to start the exam.

All exams must be given at the scheduled time and place.

Cheating on exams will be brought to the attention of the Dean.

Make-up Examinations

No make-up exams will be given in this class. Students who miss a midterm exam without a university accepted excuse will receive a grade of **zero (0)** for the exam. Students who miss a midterm with a university accepted excuse will have the weight of the final exam increased accordingly. You must take the final exam to receive a grade in this course.

Excuses for missed exams must be <u>pre-approved</u> by the instructor (except when this is not possible in an emergency situation). Students who make initial contact <u>after</u> 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 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 <u>non-honors</u> students will be assigned as follows:

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

Letter grades for both sections will be allocated using the following breakdown:

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%

Class Schedule

Month	Day	Reading Assignment
January	08	Mankiw 16
	10	Mankiw 16 and Krugman 1
	15	Mankiw 16 and Krugman 2
	17	Mankiw 17
	22	Mankiw 17, 18
	24	Mankiw 18 and Krugman 3
	29	**Midterm I (Mankiw 16-18 and Krugman 1-3)**
	31	Mankiw 8 and Krugman 4
February	05	Mankiw 8
	07	Mankiw 8 and Krugman 5
	12	Mankiw 12
	14	Mankiw 12 and Krugman 6
	19	Mankiw 12
	21	**Midterm II (Mankiw 8, 12, 16-18 and Krugman 1-6)**
	26	Mankiw 4 and Krugman 7
	28	Mankiw 4
March	05	Mankiw 4 and Krugman 8
	07	Mankiw 5 and Krugman 9
	12	Mankiw 5, 19
	14	Mankiw 19 and Krugman 10
	22	**Final Exam (Mankiw 4, 5, 8, 12, 16-19 and Krugman 1-10)**

Honors Students

Honors students will attend the same lectures and take the same exams as the 110B students. In addition, honors students will be assigned a fifteen-page research paper to be completed before the end of the quarter. The numerical grades for honors students will be assigned as follows:

Midterm I = 20%, Midterm II = 25%, Research Paper = 10%, Final Exam = 45%

Further information regarding the research paper will be provided in the first week of class.