ECONOMICS 110B – WINTER 2004
MACROECONOMICS

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Classroom: York 2622
Class Time: TuTh 3:30 p.m. – 4:50 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 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. Then we will look at modern theories of aggregate supply, policy making, and economic fluctuations. We will discuss various theories of consumption and investment that provide microeconomic foundations for our macroeconomic models. Finally, we wrap up the course with a discussion about the creation of money, and the ways in which the Federal Reserve Bank influences interest rates.

PREREQUISITES

The prerequisite for Economics 110B is Economics 110A.

TEXTS

The required text for this class is Macroeconomics, Fifth 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, 12-14 and 16-19 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 do not appear in the textbook but are fair game for examination. Thus, frequent absences may adversely affect performance.

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CLASS SCHEDULE

Month	Day	Reading Assignment
January	06	Chapter 5
January	08	Chapter 5
January	13	Chapter 5
January	15	Chapter 12
January	20	Chapter 12
January	22	Chapter 12
January	**27**	**Midterm I (Chapters 5, 12)**
January	29	Chapter 13
February	03	Chapter 13
February	05	Chapter 14
February	10	Chapter 14
February	12	Chapter 19
February	17	Chapter 19
February	**19**	**Midterm II (Chapters 5, 12-14, and 19)**
February	24	Chapter 16
February	26	Chapter 16
March	02	Chapters 16, 17
March	04	Chapter 17
March	09	Chapters 17, 18
March	11	Chapter 18
March	**19**	**Final Exam from 3 – 6 p.m. in York 2622 (Chapters 5, 12-14, 16-19)**

PRACTICE PROBLEMS

A course reader including review questions, practice problems, and sample exams 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 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.

DISCUSSION SECTION

Weekly discussion sections will be held on Wednesday nights from 7:00 – 7:50 p.m. in Center Hall 109. The section leaders will provide assistance with practice problems from the soft reserve reader and the end-of-chapter questions in the textbook. These sessions are intended to serve as review sessions; there will not be any other review sessions scheduled before exams.

EXAMINATIONS

Two midterm exams and one final exam will be given in this section. The midterm exams will be given in class on **January 27, 2004** and **February 19, 2004**. The final exam will be given in York 2622 on **Friday, March 19, 2004 from 3 - 6 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.

All three exams must be taken at the scheduled time and place; they will not be given "early". Students who arrive late will not receive extra time to complete their exam. Once a student completes the exam and leaves the exam room, no other student will be permitted to start the exam.

Any student suspected of cheating on an exam will be brought to the attention of the Dean.

MISSED 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 pre-approved by the instructor (except when this is not possible in an 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 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 will be assigned as follows:

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

GRADE CALCULATION EXAMPLE

Suppose that a student received the following scores:

Midterm 1 = 68.0 %   Midterm 2 = 62.5 %   Final Exam = 76.0 %

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

Final percent score = 0.2 (Midterm 1 %) + 0.3 (Midterm 2 %) + 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., 62.49 % rounds down to 62 %, and 62.50 % rounds up to 63 %)*

Final percent score (rounded to 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-.