

# **ECON 3: PRINCIPLES OF ECONOMICS – MACROECONOMICS**

## **UCSD Summer Session I 2015**

Lectures: M/W 2:00 – 4:50pm, Peterson 103  
Discussion Section: F 11:00am – 12:50pm, CSB 005

### **CONTACT INFORMATION**

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Office Hours: F: 9 – 10:50 am

Class Web Page: TED (see below)

### **COURSE DESCRIPTION**

Welcome to Econ 3!

This is the third course in UCSD's introductory economics sequence, and it is designed to introduce you to the fundamentals of macroeconomic analysis – the study of the economy as a whole. As in microeconomics, we will see how economists use simple economic models to study the complex workings of our economy. We will begin by laying a foundation and defining key macroeconomic indicators such as GDP, inflation and unemployment. We will then use these to talk about macroeconomic topics, including: economic growth; saving, capital investment and how the financial system operates; business cycles; aggregate supply and demand; why the tools of fiscal and monetary policy are used and how these tools work. Finally, (time permitting) we will extend our analysis to the study of macroeconomics in an open economy and international finance issues.

A more detailed list of topics is covered on page 2 under Course Readings.

The goal of the course is to enable you to have a new ability to understand, appreciate, and evaluate the economic news and information you read, hear and watch every day. The course will require you to use the concepts you have learned to think through economic relationships, to analyze problems and to critically think about potential solutions.

### **COURSE PREREQUISITE**

ECON 1

### **REQUIRED COURSE TEXT**

Frank, Robert H. and Ben S. Bernanke (2013), *Principles of Economics*, 5<sup>th</sup> edition, McGraw-Hill.

There is a UCSD custom version available at the UCSD Bookstore. The custom version is essentially the same as the 5<sup>th</sup> edition, but it has an indifference curve appendix, a different cover, and is cheaper. :)

## COURSE READINGS

Below is a list of required readings for the course, listed roughly in the order they will be covered. I will keep you updated on the relevant chapters to read for each upcoming class. It is very important to keep up with the readings, as it will help ensure that you obtain the most benefit from lecture.

<b><u>Topic</u></b>	<b><u>Chapter</u></b>
<b>Part 5: Macroeconomics: Issues and Data</b>	
Spending, Income and GDP	15
Inflation and the Price Level	16
Wages and Unemployment	17
<b>Part 6: The Economy in the Long-Run</b>	
Economic Growth	18
Savings, Capital Formation, and Financial Markets	19
The Financial System, Money, and Prices	20
<b>Part 7: The Economy in the Short-Run</b>	
Short-Term Fluctuations	21
Spending, Output and Fiscal Policy	22
Monetary Policy and the Federal Reserve	23
Aggregate Demand and Aggregate Supply	24
Macroeconomic Policy	25
<b>Part 8: International Economy</b>	
Exchange Rates and International Capital Flows	26

## WEB RESOURCES

The course webpage is on TED. Each student has an account that is generated automatically once you are registered for the course.

To access the page, log in at <http://ted.ucsd.edu>. Once you log in, Econ 3 will be listed under “My Courses.” Click on the link to reach the course home page.

Notes on logging in:

- If you are a UCSD student, you will log in with the same username/password that you use for email.
- If you are a guest student, you should be added with a temporary student account that will give you access to the course webpage.

The following items will be posted on the course webpage:

- Syllabus
- Additional Readings
- Online quizzes and activities
- Homework assignments
- Additional practice problems and solutions to help prepare for midterms and finals
- Lecture Slides
- Grades

## **COURSE STRUCTURE AND POLICIES**

### **1) Assignments**

There will be graded weekly homework assignments. These will generally be assigned after class on Mondays and due at the beginning of discussion section that week. NO late homework will be accepted! Only documented emergencies that are approved by me will be considered as justification for an exception.

There will be two types of homework problems, and any given homework assignment may incorporate one or both of the following problem types:

- 1) Problems designed to reinforce key definitions, concepts and ideas. These will be graded based on effort and completion. Individuals are encouraged to work together on these types of problems, however each student must hand in a unique (not photocopied or otherwise identical) copy.
- 2) Reading one or more article(s), watching a video, etc. and answering critical response questions, using concepts covered in class. These problems must be completed individually.

To accommodate unexpected circumstances, bad days, etc. the lowest score from either the homework or the online quizzes and activities will be dropped from the total grade calculation.

### **2) Online Quizzes and Activities**

I will occasionally post an online quiz or activity to help reinforce concepts and check comprehension of the material. Depending on the activity, these will be graded based on accuracy and/or effort. In all cases, they must be submitted by the assigned due date/time. As stated in the previous section, the lowest score from either the homework or the online quizzes and activities will be dropped from the total grade calculation.

### **3) Exams**

There will be two midterms and a final. Each midterm will last an hour and 20 min and will cover material from class that has not yet been tested on a previous exam. While this means that midterm II *technically* is not cumulative, many themes will reappear in multiple units. The final exam will be cumulative, however extra emphasis will be placed on material covered after Midterm II. The final will last 2 hrs and 59 min.

Exam dates are not negotiable. If you miss a midterm for a verifiable medical/legal reason, your final exam grade will count for both your midterm grade *and* your final exam grade. Otherwise, you will receive a zero. All exams will be closed book and closed note. No calculators or other electronic devices will be permitted.

Exam dates:	Midterm I	Monday, July 13
	Midterm II	Wednesday, July 22
	Final exam	Friday, July 31 (3 – 5:59 pm)

### **4) Grades**

Grades will be based on the following:

Homework, online quizzes and activities	20%
Midterm I	20%
Midterm II	20%
Final exam	40%

Grading scale:

93-100	A	83-86	B	73-76	C	63-66	D
90-92	A-	80-82	B-	70-72	C-	60-62	D-
87-89	B+	77-79	C+	67-69	D+	0-59	F

- **Grading Issues and Questions**

Please report any questions or concerns regarding homework, quizzes and activities in writing or in person to me. For exams, I will detail specific regrade policies before each exam.

- **Academic Integrity**

Academic dishonesty will not be tolerated in this course.

Academic dishonesty is cheating of any kind, including misrepresenting one's own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information.

## **5) Attendance**

While I will not assign grades based on attendance, your ability to keep up with and master the material will be impacted if you do not attend class.

## **6) Classroom Etiquette**

Please be respectful of your fellow classmates and your Professor. Please remember to silence cell phones upon entering the classroom. Do not engage in private conversations or other disruptive behavior.

## **7) Additional Notes**

Since this is a condensed version of the usual quarter long course, we will be moving at a fast pace. It is therefore *extremely* important to be diligent in keeping up with the homework, the course readings and making sure you have a firm understanding of the material. A very important element in your success in this course will be putting forth the effort to ensure that you do not fall behind. I and Sieuwerd are here to help with any difficulties... please do not hesitate to ask!! Doing the practice exam problems posted on the website will also be good supplemental preparation for doing well on exams. Provided you put forth the effort, you should find this a very enjoyable and informative course!