

ECONOMICS 1B – SPRING 2004
ELEMENTS OF ECONOMICS

Instructor: Genevieve Peters
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Classroom: Center Hall 115
Class Time: TuTh 2:00 – 3:20 p.m.
Class Web Page: <http://weber.ucsd.edu/~gpeters/econ1b/>

COURSE DESCRIPTION

This course provides an introduction to the issues studied by macroeconomists. We will begin the course by looking at the most important economic statistics used by macroeconomists to diagnose the health of the economy. Then we will use these economic statistics to look at the different sectors of the economy, including the labor market, capital markets, financial markets, and international capital and currency markets.

PREREQUISITES

The prerequisite for this course is Economics 1A.

TEXTS

The required text is Principles of Economics, 2nd Edition, by Robert H. Frank and Ben S. Bernanke. This book is a combined microeconomics/macroeconomics text. You may alternatively purchase the macroeconomics text, Principles of Macroeconomics, 2nd Edition, by the same authors.

Please note that the chapter numbering is different in these versions of the text. The reading assignments listed in this syllabus are denoted with a C for the combined micro/macro text and with an M for the macroeconomics text.

COURSE READINGS

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

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DISCUSSION SECTIONS

There are three discussion sections scheduled for this course.

C01	Wednesdays	12:00 – 12:50 p.m.	Warren Lecture Hall 2204
C02	Fridays	3:00 – 3:50 p.m.	Warren Lecture Hall 2204
C03	Mondays	3:00 – 3:50 p.m.	Warren Lecture Hall 2205

The discussion sections will be devoted primarily to working on the problems listed at the end of each textbook chapter. You will also be able to ask questions about the homework assignments (bring along a copy of the question for the section leader to read).

Discussion sections will begin on Monday April 5th.

The Monday discussion section (C03) will be cancelled on May 31st for the Memorial Day holiday. Please feel free to attend one of the other discussion sections that week.

HOMEWORK ASSIGNMENTS

Graded homework assignments and optional practice questions have been placed on a new website dedicated to students and professors of economics. To access the website, you need to register for an account with Aplia at <http://econ.aplia.com>. The course key that you will need to register is:

K7JC-L3BX-JNTV

Attached to this syllabus is an instruction sheet to help you register. Please register on the website within 24 hours of receiving the course key. The cost of registering for this service is \$21.

A list of the components of the ten weekly assignments, along with their due dates, is below.

The graded problem sets have a firm due date. You can change your answers as many times as you like before the due date has passed. However, once the due date has passed, the grade will be recorded by the Aplia software and it will not be possible to change your answers or complete the assignment at this point. Do them early to avoid any emergencies preventing your completion before the due date. After the due date you will be able to see the correct answers and the explanations for the graded problems.

Many assignments come in pairs of practice and graded problem sets. The practice sets give you immediate feedback about whether your answer is right or wrong and an explanation of the correct answer. The practice sets are not counted as part of your homework grade. Use them to check your understanding of the material.

Each weekly assignment will receive a normalized score out of one (equal to the number of correct points divided by the number of total points on the assignment). Your homework grade will be the average of your eight highest normalized scores (your two lowest scores will be dropped.)

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EXAMINATIONS

Two midterm exams and one final exam will be given in this course. The midterm exams will be given in class on **Thursday, April 22, 2004** and **Tuesday, May 18, 2004**. The final exam will be held in Center Hall 115 on **Wednesday, June 9, 2004 from 3:00 p.m. – 6:00 p.m.**

No calculators, study aids, or notes will be allowed in the 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 class.

Excuses for missed exams must be pre-approved by the instructor (except when this is not possible 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 illness will be required to provide documentation from a health care professional indicating why the student was 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:

Homework Assignments	=	15%
Midterm Exam I	=	20%
Midterm Exam II	=	25%
Final Exam	=	40%
Total	=	100%

Letter grades will be allocated as follows:

Letter	A	A-	B+	B	B-
Numerical Range	90% - 100%	85% - 89%	80% - 84%	75% - 79%	70% - 74%
Letter	C+	C	C-	D	F
Numerical Range	65% - 69%	60% - 64%	55% - 59%	40% - 54%	0% - 39%

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CLASS SCHEDULE

<u>Day</u>	<u>Date</u>	<u>Reading Assignment</u>
Tuesday	March 30	Macroeconomics: The Bird's-Eye View of the Economy (C-17/M-4)
Thursday	April 1	Measuring Economic Activity: GDP and Unemployment (C-18/M-5)
Tuesday	April 6	Measuring Economic Activity: GDP and Unemployment (C-18/M-5)
Thursday	April 8	Measuring the Price Level and Inflation (C-19/M-6)
Tuesday	April 13	Measuring the Price Level and Inflation (C-19/M-6)
Thursday	April 15	Economic Growth, Productivity, and Living Standards (C-20/M-7)
Tuesday	April 20	Economic Growth, Productivity, and Living Standards (C-20/M-7)
Thursday	April 22	Midterm 1 (Covers Chs. C-17 through C-20)
Tuesday	April 27	Workers, Wages, and Unemployment in the Modern Economy (C-21/M-8)
Thursday	April 29	Workers, Wages, and Unemployment in the Modern Economy (C-21/M-8)
Tuesday	May 4	Saving and Capital Formation (C-22/M-9)
Thursday	May 6	Saving and Capital Formation (C-22/M-9)
Tuesday	May 11	Financial Markets and International Capital Flows (C-24/M-11)
Thursday	May 13	Financial Markets and International Capital Flows (C-24/M-11)
Tuesday	May 18	Midterm 2 (Covers Chapters C-17 through C-22 and C-24)
Thursday	May 20	Money, Prices, and the Federal Reserve (C-23/M-10)
Tuesday	May 25	Money, Prices, and the Federal Reserve (C-23/M-10)
Thursday	May 27	Exchange Rates and the Open Economy (C-29/M-17)
Tuesday	June 1	Exchange Rates and the Open Economy (C-29/M-17) and International Trade and Trade Policy (C-16/M-16)
Thursday	June 3	International Trade and Trade Policy (C-16/M-16)
Wednesday	June 9	Final Exam in Center Hall 115 from 3:00 p.m. – 6:00 p.m. (Covers Chapters C-16 through C-24, and C-29)

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WEEKLY GRADED HOMEWORK ASSIGNMENTS

Week 1 – Due before 11:45 p.m. on Sunday, April 4th.

1. Introductory Graded Problem Set
2. Pretest
3. Introduction to Macroeconomics II

Week 2 – Due before 11:45 p.m. on Sunday, April 11th.

1. Calculating GDP II
2. Measuring National Income II
3. GDP: Measuring Output, Mismeasuring Well Being?
4. Measuring Unemployment II

Week 3 – Due before 11:45 p.m. on Sunday, April 18th.

1. Introductory Graded Problem Set
 - Optional if you already completed this component during Week 1. If you complete this component a second time, the more recent score will be used to compute your normalized score for the Week 1 assignment.
2. Posttest
 - Optional if you took the Pretest. If you complete both the Pretest and the Posttest, the higher of the two scores will be used to compute your normalized score for the Week 1 assignment.
3. Introduction to Macroeconomics II
 - Optional if you already completed this component during Week 1. If you complete this component a second time, the more recent score will be used to compute your normalized score for the Week 1 assignment.
4. Measuring the Price Level and Inflation II
5. Introduction to Economic Growth II

Week 4 – Due before 11:45 p.m. on Sunday, April 25th.

1. Economic Growth, Productivity, and Living Standards II
2. Too Much Productivity?

Week 5 – Due before 11:45 p.m. on Sunday, May 2nd.

1. Workers, Wages, and Unemployment II
2. Understanding the Labor Market: Personal Stories vs. Impersonal Statistics

Please note that the deadlines for these assignments are fixed. The deadlines listed above are 11:45 p.m. (which means 11:45:00) Pacific time. This means that any components of the assignment submitted at 11:45:01 p.m. Pacific time (or later) will be rejected by the computer and will not be graded.

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WEEKLY GRADED HOMEWORK ASSIGNMENTS

Week 6 – Due before 11:45 p.m. on Sunday, May 9th.

1. Saving and Capital Formation II
2. Saving, Investment, and the Financial System II

Week 7 – Due before 11:45 p.m. on Sunday, May 16th.

1. Introduction to Financial Markets II
2. Financial Markets II
3. Financial Markets and International Capital Flows II

Week 8 – Due before 11:45 p.m. on Sunday, May 23rd.

4. Money, Prices, and the Federal Reserve II
5. Transparency at the Fed

Week 9 – Due before 11:45 p.m. on Sunday, May 30th.

1. Exchange Rates and the Open Economy II
2. A Falling Exchange Rate in Brazil Increases Exports of Soybeans

Week 10 – Due before 11:45 p.m. on Sunday, June 6th.

1. Introduction to the Production Possibilities Frontier
2. Production Possibilities II
3. Gains from Trade II

Please note that the deadlines for these assignments are fixed. The deadlines listed above are 11:45 p.m. (which means 11:45:00) Pacific time. This means that any components of the assignment submitted at 11:45:01 p.m. Pacific time (or later) will be rejected by the computer and will not be graded.