

ECON 110A: Intermediate Macroeconomics

Spring 2010

Class Time: Mo/We/Fr, 12:00pm - 12:50pm

Place: Centr. 113

Instructor: Frank Hespeler

Office: 111 Econ Building

E-mail: fhespeler@ucsd.edu

Office Hours: We, 1:00-2:30pm

Review Sessions: one in week 5 and one in week 10, time and location: TBA

Place: TBA

TA: Will Peterman

Office: 126 Econ Building

E-mail: wbpeterm@ucsd.edu

Office Hours: Th, 2:00-3:30pm

TA: Aeimit Lakdawala

Office: 233 Sequoyah Hall

E-mail: alakdawala@ucsd.edu

Office Hours: Mo, 2:00-3:30pm

Course Objectives:

As the first of the macroeconomic sequence, Econ 110A introduces students to macroeconomic modeling. It is designed to teach students how to apply models to understand current macroeconomic issues. We will cover short-run models of economic fluctuations, medium-run models of price flexibility, and long-run models of economic growth.

Prerequisites

The prerequisites for this class are Economics 1A-B or 1-2-3 and Mathematics 10C or 20C or 21C.

Required Text:

O. Blanchard, *Macroeconomics* (4th ed.), Pearson/Prentice Hall, 2006.

The UCSD custom edition available at the bookstore is a paperback with black and white illustrations (instead of color illustrations) and is cheaper than the hardcover edition. Either the custom edition or the hardback 4th edition can be used for the course.

Recommended Readings:

It is recommended that students get into the habit of browsing the daily newspapers or the weekly magazine *The Economist* at least a couple of times per month. This will provide some context for the course. Additionally the publication

David Findlay, *Study Guide*, Pearson/Prentice Hall, 2006

is strongly recommended as a tool to practice solving review problems.

Course website: <http://webct.ucsd.edu>

This is where you can access syllabus, class handouts, your grades, homework assignments, solutions, etc. Importantly, students should use *WebCT* (and not the e-mail) to ask all the questions related to this class. WebCT is accessible to registered and waitlisted students.

Review Sessions

Review sessions will be offered in the week of the midterm (week 5) and the week before the final (week 10) in order to provide the opportunity to practice the solution of specific problem sets. They are an additional occasion for clarifying and discussing the contents of the lecture in the case that things remained unclear and need additional discussion. Review sessions will be held by the Teaching Assistants. Exact time and location of the review sessions are to be announced.

Grade Determination:

Students will have the following possibilities to demonstrate their abilities in Macroeconomics:

	Time	Weight
Midterm Exam (in class)	Friday, 04/30/2010 12.00 pm – 12.50 pm	35 %
Final Exam	Wednesday, 06/09/2010 11.30 am – 2.30 pm	65 %
Homework assignments	Frequently throughout the course	0 %

Grades for the course will be computed from a weighted average of grades on the above items, using the weights listed above. Extra-credits are exclusively available for the voluntary participation in summarizing the main contents of the preceding session. For details, see the text below the tentative time schedule.

Almost every week, homework assignments will be posted online. These problems will not be collected and will not be graded. Shortly after the problem set is assigned, solutions will be available online. The homework assignments are *far more important* than their above weight (0%) would indicate. They provide excellent opportunities to apply concepts from the lectures and are basically of similar form as problems to be solved in the written exams.

Students are advised who to make intensive use of the Student Study Guide proposed under Recommended Readings.

Class policies:

In order to establish a fair and level playing field for all involved, the following will be enforced without exceptions:

- 1) Coming to class and review sessions is entirely voluntary. No attendance will be recorded. No points for attendance will be given. However, the lectures will be more mathematical than the text, and examples will be discussed that do not appear in the textbook but are useful to illustrate main arguments.
- 2) Students are expected to take all exams, to avoid a fail grade. Only in exceptional cases of serious illness or other problems, a student may be excused from an exam provided a doctor's written note or appropriate documentation is presented to the instructor *before* the exam. If a student is excused from a midterm exam, his/her grade will be computed using the grade of the final exam. No make-up exams will be given for any exams.
- 3) No notes, books, study aids, calculators, or other personal electronic devices will be allowed during the exams. All two exams must be taken at the scheduled time and place. 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.
- 4) Any re-grade consideration will be subject to three rules. First, a re-grade of one question will involve a re-grade of the entire exam. Second, exams written in pencil cannot be re-graded. Third, you have to bring your request for a re-grade to the TA in writing, explaining carefully what you think the problem is. Final deadline for a re-grade request is 48 hours after the exams are handed back to you.
- 5) Any student found guilty of academic dishonesty will earn a failing grade for the course. In addition the standard procedures described in the UCSD general catalog will be applied.

For a review of these policies, please see

<http://www-senate.ucsd.edu/manual/Appendices/app2.htm>

- 6) For questions related to adding/dropping the class, please refer to TritonLink at <http://www.ucsd.edu/portal/site/ucsd/menuitem.135225ab0c7ce3c0c0020010d34b01ca/?vgnextoid=06080ec7898521100ec789852110cdca5105RCRD> or contact the undergraduate advisors in Sequoyah Hall 245.

Tentative Class Outline

Week 1	
Monday, 03/29/2010 Wednesday, 03/31/2010 Friday, 04/02/2010	Details of class and syllabi, Macroeconomic Topics and Key Concepts (Chap.2) Contd.
Week 2	
Monday, 04/05/2010 Wednesday, 04/07/2010 Friday, 04/09/2010	Keynesian Cross, Output and Consumption in the Short Run (Chap. 3) Financial Markets, Money and Interests (Chap. 4)
Week 3	
Monday, 04/12/2010 Wednesday, 04/14/2010 Friday, 04/16/2010	Contd. IS-LM-Model: Converging Keynesian Cross and Financial Markets (Chap. 5)
Week 4	
Monday, 04/19/2010 Wednesday, 04/21/2010 Friday, 04/23/2010	Labor Markets, Natural Output Level, (Chap. 6) Contd. Determination of Output in Short and Medium Run,
Week 5	
Monday, 04/26/2010 Wednesday, 04/28/2010 Friday, 04/30/2010	AS-AD-Model Contd. (Chap. 7) Contd. Midterm Exam
Week 6	
Monday, 05/03/2010 Wednesday, 05/05/2010 Friday, 05/07/2010	Phillips Curve: Inflation and Unemployment (Chap. 8) Contd. Inflation, Economic Activity and Nominal Money Growth
Week 7	
Monday, 05/10/2010 Wednesday, 05/12/2010 Friday, 05/14/2010	Dynamic AS-AD Model (Chap. 9) Contd. Patterns of growth and growth concepts (Chap. 10)
Week 8	
Monday, 05/17/2010 Wednesday, 05/19/2010	Contd. Growth, Capital Accumulations, Solow Model (Chap. 11)

Friday, 05/21/2010	Contd.
Week 9	
Monday, 05/24/2010 Wednesday, 05/26/2010 Friday, 05/28/2010	Growth, Technological Progress (Chap 12) Contd. Technological Progress, Wages and Labor Market (Chap 13)
Week 10	
Monday, 05/31/2010 Wednesday, 06/02/2010 Friday, 06/04/2010	Holiday Contd. Conclusions

Whenever the schedule allows, some time in class will be used to reflect about the preceding session's topics. Occasionally, this might include the call for volunteers to summarize the main points in own words. These events are very useful to control the own learning progress and to present economic concepts to other people. To encourage participation the performance will be estimated and a maximum of two extra points to be added to the result of the final exam can be earned. Acceptance for the request to active participation is voluntary. However in terms of improving the own knowledge the benefit for those participating by preparing themselves for a potential voluntary short presentation might be enormous.

Final Exam (Covers Ch. 1-13): Wednesday, 06/09/2010, 11:30 am – 2:30 pm, location TBA