

Economics 3: Principles of Macroeconomics, Spring 2013
UCSD-Department of Economics

Lecture 1: MWF 9:00 to 9:50 AM in Center Hall 113

Lecture 2: MWF 10:00 to 10:50 AM in Center Hall 113

Instructor: Heather L.R. Tierney

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Office Hours: Wed 12:00 Noon to 1:30 PM

Office: Economics 109

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Note regarding Office Hours: I also have office hours on Mon from 12:00 Noon to 1:30 PM to which you are more than welcome to use, but my students from my Econ 001 will class have priority.

Course Description: This course is an introduction to the topics that are a part of the aggregate economy. The course begins with the most important macroeconomic statistics such as GDP, inflation, and unemployment that are used by economists to diagnose the health of the overall economy. Using these economic statistics, the different sectors of the economy, including the labor, capital, and financial markets as well as international capital and currency markets are studied as it pertains to long- and short-run fluctuations. At the end of this class, you should become well informed about the current state of the U.S. economy.

Prerequisites: Econ 1 (Principles of Microeconomics) or Econ 1A (Elements of Economics)

Required Textbook: Robert H. Frank and Ben S. Bernanke, Principles of Economics, 5th ed. (ISBN#: 978-0-07-776903-1). A UCSD custom edition of the textbook is available at the UCSD bookstore for less than the regular price of the textbook. An older edition of the textbook may be used, but there might be slight changes in the order of the chapters and the manner in which the material is presented. It will be your responsibility to keep track of these changes. *Although the topics covered in class will follow the text, the lectures will contain material not in the text. Thus, regular class attendance is extremely important.*

Graded Online Homework: There will be online homework that can be accessed via TED, which will correspond to each of the chapters and the additional material covered in lectures as it relates to the given chapter. The lowest homework grade will be automatically dropped. The online homework will correspond to 10% of your grade. If the deadline is missed, no make-up homework will be given.

Worksheets: Aside from the online homework, additional worksheets that correspond to the class lectures will be posted on TED and will be done in discussion sections each week. In order to understand the course material, it is imperative to be able to do the worksheets by the due date even though they will not be graded. The worksheets will be a very good way to test your understanding of the course material as well as being a very good way to prepare for the exams.

Exam Policies: You will be tested on the chapters listed in the section of the syllabus entitled "Topic Outline" *as well as any material covered in class*, which will be re-enforced in the discussion sections. You may use a calculator, a simple one is enough (graphing calculators or phones, PDA's, and other devices with messaging capabilities are not allowed). Any re-grade request will permit the entire exam to be re-examined. So, it is possible to end up with fewer points after the re-grading process. All re-grade requests must be submitted within one week from when the exam is returned. A written report stating why you are requesting a re-grade along with your exam must be turned in by the deadline. The deadline for re-grades will be given in class and noted on TED. If the deadline is missed, ***no re-grades will occur.*** There will be no re-grading of exams written in pencil, erasable pen, or if white-out unless these exams are picked up directly from one of the TA's offices and a re-grade requested is made on the spot.

Class Webpage: <http://ted.ucsd.edu>. Please check TED regularly for the course lectures, worksheets, class announcements, and graded online homework. Please also see TED for the TA's office hours.

Curve: Only the final score will be curved and *only if* necessary. Each class will be curved independently.

Grading: Your course grade will be based upon the online homework, two midterms, and the final exam.

Online Homework (10% of the final grade): Lowest grade is automatically dropped

Midterm 1 (20% of the final grade): Friday, April 19th, 2013

Midterm 2 (20% of the final grade): Wednesday, May 15th, 2013

Final (50% of the final grade): Day and Time decided by the Registrar.

Lecture 1 (MWF 9:00 to 9:50 AM)-6/12/2013 at 8:00 to 10:59 AM

Lecture 2 (MWF 10:00 to 10:50 AM)-6/10/2013 at 8:00 to 10:59 AM

Discussion Sections: In the discussion sections, TAs will review material covered in class and go over some of the more difficult questions on the worksheets, which will be beneficial in understanding the course material better as well as being an excellent way of preparing for the exams. The same material will be covered in exactly the same manner in all of the discussion sections. The first meeting for TA discussion sections will be on Monday, April 8th, 2013.

Topic Outline:

Part 5: Macroeconomics: Issues and Data

Chapter 15: Spending, Income, and GDP

Chapter 16: Inflation and the Price Level

Chapter 17: Wages and Unemployment

Part 6: The Economy in the Long-Run

Chapter 18: Economic Growth

Chapter 19: Savings, Capital Formation, and Financial Markets

Chapter 20: Money, Prices, and the Financial System

Part 7: The Economy in the Short-Run

Chapter 21: Short-Term Economic Fluctuations

Chapter 22: Spending, Output, and Fiscal Policy

Chapter 23: Monetary Policy and the Federal Reserve

Chapter 24: Aggregate Demand, Aggregate Supply, and Business Cycles

Chapter 25: Macroeconomic Policy

Part 8: The International Economy

Chapter 26: Exchange Rates, International Trade, and Capital Flows

Administrative Issues:

1. If you have a documented disability, please come to talk to me as soon as possible so that I can make suitable accommodations for you. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities.

2. Students found guilty of academic dishonesty will earn a failing grade for the course. In addition, the Council of Deans of Student Affairs will impose a disciplinary penalty. For more information on academic integrity, please refer to the following website:

<http://students.ucsd.edu/academics/academic-integrity/index.html>.

3. If you need to miss a midterm for a **verifiable** medical/legal reason, the rest of the exams will be re-weighted so they account for 100% of your grade. Failure to notify me promptly that you must miss a midterm will result in a zero grade for that midterm. Unexcused absences will also result in a zero.

4. Because each class has different exams that are curved independently, you must take each midterm and final with the class you are enrolled in.