

Syllabus for Economics 146: Economic Stabilization, Spring Quarter 2013

---Tuesday and Thursday from 3:30 PM to 4:50 PM; Pepper Canyon, Room 106

Instructor: Dr. Darrel Cohen Email: dscohen@ucsd.edu

Office: Econ Annex Bldg. 103 Office Hours: Tuesday and Thursday, 1 PM to 2:30 PM

Course Overview

This course presents facts about business cycles, models attempting to explain these facts, the theory of stabilization policy, and fiscal and monetary policies as tools for stabilizing the economy. The material on monetary policy will have somewhat of an insider's perspective, reflecting my career experiences as an economist at the Federal Reserve Board. The course will contain a balanced presentation of theory and empirical evidence. On the empirical side, you will be asked to complete a hands-on homework assignment that involves the downloading and statistical analysis of lots of macroeconomic data.

Textbooks and Other Reading

I have not found any textbooks completely suitable for this course, so I rely primarily on extensive lecture notes posted on the course Ted page. The textbook assigned for the Economics 110 sequence is helpful for parts of the course; the book is *Macroeconomics* by Olivier Blanchard (updated 5th edition, 2011, Pearson, Custom Publishing). I strongly encourage students to read Chapter 2 which provides introductory, background material that I expect you to know. I may assign recent speeches, testimonies, etc. by Federal Reserve officials; also I may assign readings from the Congressional Budget Office. Also, parts of *Macroeconomics* by Andrew Abel, Ben Bernanke, and Dean Croushore (Pearson, Addison Wesley, publisher) are drawn on occasionally in the lecture notes. The lecture notes contain references for further reading; required readings—in addition to the online lecture notes—will be announced in class.

Useful Web sites

www.federalreserve.gov/releases/ this contains downloadable economic data
www.federalreserve.gov/monetarypolicy/fomc.htm this contains FOMC statements, etc.
www.federalreserve.gov/newsevents/speech/2012speech.htm this contains speeches of Governors
<http://research.stlouisfed.org/fred2/> this contains downloadable economic data
www.nber.org/cycles/main.html and www.nber.org/cycles/recessions.html; these contain lots of useful and “official” information about business cycles

Course Grade: I plan to give one midterm and a final exam. Their contribution to your final grade is as follows:

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| Midterm | 33% | (Note: the midterm will be given after the 2 nd of 4 class modules) |
| Final | 67% | |

The final exam will be comprehensive. Performance on homework and in class potentially can help students whose exam scores place them just below a cut line for a particular grade (e.g., a C+ based solely on exam scores could turn into a B- grade.), although this is a fairly rare event. Final course grades will be curved.