

Economics 3 – Principles of Macroeconomics

Spring 2014

Mon, Wed, Fri 11:00 - 11:50 pm, Center Hall 101

Instructor:

Maria Teresa Cândido
Office: 110A Economics
Office Phone #: 534-2518
Office Hours: Mondays 12:15 pm - 2:15 pm
Email: mcandido@ucsd.edu

Teaching Assistants

Veena Jeevanandam	vjeevana@ucsd.edu	Igor Vaynman	ivaynman@ucsd.edu
Office Hours:	Wed, 4 – 5 pm (Econ 113)	Office Hours:	Thu, 9 – 10 am (Seq 231)
Matthew Knepper	mknepper@ucsd.edu	Yuwen Xu	yux003@ucsd.edu
Office Hours:	Mon, 4:30-5:30pm (Econ 120)	Office Hours:	Thu, 12 – 1 pm (Seq 139)
Stephen Morris	sdmorris@ucsd.edu	Jedrezj Zieleniak	jzieleniak@ucsd.edu
Office Hours:	Fri, 8 – 9 am (Seq 236)	Office Hours:	Mon, 3:30-4:30pm (Econ 113)
Hyeong Ho Mun	hmun@ucsd.edu	Diego Vera-Cossio	dveracos@ucsd.edu
Office Hours:	Fri, 4 - 5 pm (Seq 206)	(Reader)	
David Stowitts	dstowitts@ucsd.edu	Pablo Ruiz Junco	pruizjun@ucsd.edu
Office Hours:	Wed, 1 – 2 pm (Seq 224)	(Reader)	
Kiely Valentine	kavalent@ucsd.edu		
Office Hours:	Wed, 12 – 1 pm (Seq 231)		

Discussion Sections

Monday	5:00 – 5:50 pm,	Center Hall 222
Monday	6:00 – 6:50 pm,	Center Hall 201
Wednesday	9:00 – 9:50 am,	Center Hall 222
Wednesday	1:00 – 1:50 pm,	Center Hall 222
Wednesday	5:00 – 5:50 pm,	Center Hall 207
Friday	2:00 – 2:50 pm,	Center Hall 222

Course Description

Econ 3 is a sequel to Econ 1. The objective of this course is to give students the tools to help them answer questions such as: What causes recessions? What determines how much a country grows? Why do US households save so little?

Course Materials

Textbook: “Principles of Economics” by Robert H. Frank and Ben S. Bernanke (2012), 5th Edition, McGraw-Hill Irwin. There is a UCSD custom version of this textbook available at the UCSD Bookstore. The UCSD custom is identical to the 5th edition in every way except that it has the indifference curve appendix added, an extra chapter on International Trade, has a different cover, and is cheaper.

The bookstore bundle includes Connect. Connect also has a searchable EBook.

Chapters: 15, 16, 17, 18, 19, 20, 21, 22, 23, and 26.

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.

Course Webpage: A course webpage is available at <http://ted.ucsd.edu>.

The course webpage will contain information relevant to the course, such as homework assignments, detailed information on assignment due dates, extra practice problem sets, announcements, solutions to problem sets and exams, syllabus, and more. Please check this page regularly.

My Expectations

1. It is important to come to every lecture. If you should miss a class, it is your responsibility to get the notes and any information provided in class. There are weekly discussion sections for this course. You should attend them since the TAs will go over practice problems, the kind of problems you may encounter on exams. Discussion sessions start on **Monday April 7th**.
2. You are expected to keep up with the required reading on your own.
3. Complete all your homework assignments. Remember, homework is assigned to assist you in studying, and a way for you to check if you understand the material.

Grading

Homework Assignments

2 Midterm Exams

Final Exam

Homework: All homework assignments are worth the same, regardless of the number of questions in them. The normalized score for each assignment is the percentage of correct answers. The homework grade is computed by taking an average of the (normalized) scores of assignments, after dropping the lowest score.

Exams: The midterm exams are scheduled to **Saturday, April 26th, from 10:30 am to 11:50 am**, and **Saturday, May 17th, from 4:30 pm to 5:50 pm**. Notice that they are out-of-class midterms. The final exam will take place on **Friday, June 13th, from 11:30 am to 2:30 pm** and will be cumulative. The questions asked on exams will be based on lectures, textbook reading and assigned or practice problems.

Course Grade: We will calculate for each student one point total that puts a weight of 15% on homework assignments, 20% on the first midterm exam, 20% on the second midterm exam, and 45% on the final. We will then calculate a second point total that puts the weight on 15% on homework assignments, 20% on the best of the two midterm exams, and 65% on the final. A student's grade will be based on the higher of the two numbers. The dates for the exams are not negotiable. There are no make-up exams – a missed midterm exam automatically commits a student to the second option. The overall course grade will be curved. In general, the class average corresponds to the lowest B-.

Topic Outline

Part 1: Macroeconomics: Issues and Data

Chapter 15: Spending, Income and GDP

Chapter 16: Inflation and the Price Level

Chapter 17: Wages and Unemployment

Part 2: 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 3: The Economy in the Short-Run

Chapter 21: Short-Term Fluctuations

Chapter 22: Spending, Output, and Fiscal Policy

Chapter 23: Monetary Policy and the Federal Reserve

Part 4: The International Economy

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