

Syllabus for Economics 146: Economic Stabilization, Spring Quarter 2019

---Tuesdays and Thursdays from 2:00 PM to 3:20 PM; Center 105

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Office: Economics Bldg. 113; Office Hours: Tuesday/Thursday, 11:30 AM to 1:00PM

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 (simple) 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 Charles Jones. Also helpful is: *Macroeconomics* by Olivier Blanchard and David Johnson (6th edition, 2013 or updated 5th edition, 2011, Pearson, Custom Publishing) or the new 7th edition by Blanchard. I strongly encourage students to read Chapter 2 of any edition which provides background material that I expect you to know. Also, parts of *Macroeconomics* by Andrew Abel, Ben Bernanke, and Dean Croushore (Pearson, Addison Wesley) 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

<https://fred.stlouisfed.org> this contains downloadable economic data

www.federalreserve.gov/econresdata/ this contains downloadable economic data

<http://www.federalreserve.gov/monetarypolicy/> this contains FOMC statements, etc.

www.federalreserve.gov/newsevents/ this contains speeches

<http://www.nber.org/cycles/main.html> and <http://www.nber.org/cycles/recessions.html>; these contain lots of useful and “official” information about business cycles

Course Grade: There will be one midterm and a final exam. Their contribution to your final grade is as follows:

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

Final 67%

The final exam will be comprehensive. Performance on homework, extra credit, 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 rare event*. Final course grades will be curved.