

# Economics 3 – Principles of Macroeconomics

Spring 2022

TuTh, 8:00am-9:20am

YORK 2622

Instructor: Alyson Ma ([acma@ucsd.edu](mailto:acma@ucsd.edu))  
Office Hours: TuTh, 10am-11am (<https://ucsd.zoom.us/j/3593277280>)  
Web: [canvas.ucsd.edu](https://canvas.ucsd.edu)  
TA: Ishani Chatterjee ([ischatte@ucsd.edu](mailto:ischatte@ucsd.edu))  
Jianan Yang ([jiy346@ucsd.edu](mailto:jiy346@ucsd.edu))  
Discussion: W, 8:00a-8:50a (RWAC 0121)  
W, 9:00a-9:50a (RWAC 0121)  
F, 9:00a-9:50a (CSB 004)

## Course Description:

Introduction to macroeconomics: output, unemployment, inflation, business cycles, monetary and fiscal policy, and international trade.

## Course Objectives:

This course provides an introduction to macroeconomics and covers topics such as output, unemployment, inflation, business cycles, and monetary and fiscal policy.

Upon completion of this course, you will be able to

- explain and critically analyze economic data and arguments presented in the news.
- describe course concept verbally, mathematically, and graphically.

More concretely, by the end of this course you should be able to...

- explain how economists define and measure an economy's output.
- describe the true costs of inflation and compute the real value of goods and services by adjusting for inflation.
- define and calculate the unemployment rate and the labor force participation rate.
- discuss the determinants of economic growth and evaluate government policies that promote it.
- analyze the creation of money through the lending behavior of commercial banks.
- recommend appropriate fiscal and monetary policies given various economic situations.

## Prerequisites:

- Previous successful completion of Econ 1.
- Knowledge of college-level mathematics (calculus is not required).
- College-level reading, writing, and listening skills in English.

I encourage you to email me or ask during office hours about vocabulary you do not understand.

## Textbook:

*Principles of Economics*, 8e, by Robert H. Frank, Ben S. Bernanke, Kate Antonovics and Ori Heffetz (2018).

- This book is also used for Econ 1 and 2.

- The older editions are not suitable substitutes because of major changes made to the macro chapters in this edition.
- You are *not* required to buy the LearnSmart/Connect supplement.

### Highly Recommended:

Connect access code. This will allow you to gain access to the digital materials that accompany the textbook, such as the extra ungraded practice problems, or guides on most efficient chapter reading.

- If you bought and used an access code for Econ 1 within the last ~2 years, your account with McGraw Hill should still be active. If you need help accessing it, go to [mhhe.com/support](http://mhhe.com/support) or call 800-331-5094.
- If you don't already have a code, you can *opt in* (via Canvas) to get access. You will be billed for the access. (For more questions about billing please contact [textbooks@ucsd.edu](mailto:textbooks@ucsd.edu).)

### Grading and Exams:

Midterm I Tuesday, April 19th

Midterm II Tuesday, May 10th

Final Exam, cumulative (50%) Thursday, June 9th (8:00a-10:59a)

- You have a total of 1 hour and 20 minutes to take the midterm examinations in one sitting.
- The final examination will occur as dictated by the Office of the Registrar.
- The materials before the first midterm are an important foundation.
- Going to discussion sections is strongly recommended but not required.
- The final examination is cumulative since the later material builds on the earlier materials. However, more emphasis will be put on the later materials.
- You have the option to choose the weights of your midterms by May 26<sup>th</sup> via Canvas. The default is Option 1.  
Option 1: Midterm 1 (25%), Midterm 2 (25%)  
Option 2: Midterm 1 (20%), Midterm 2 (30%)  
Option 3: Midterm 1 (30%), Midterm 2 (20%)

### Course Policies:

The policies set forth are designed to ensure the course runs effectively and efficiently, that you know what is expected of you, and that other students are not penalized for unprofessional behavior by a few students.

### Examination Policies:

Consistent with the University's mission to preserve academic integrity, there are several policies and procedures that must be adhered to by students during exams.

- 1) To take the exam, you must have:
  - Your UCSD student ID
- 2) The following items are allowed during your exam:
  - A pen or pencil.
  - A BASIC or SCIENTIFIC calculator (no graphing calculators, cell phones, headphones, mobile devices, watches, or other electronics)
- 3) During the exam, the following policies will be enforced:
  - Exams are closed book, and you may not use any notes.
  - You may not share calculators during exams.
  - All exams are to be taken individually by registered students without unauthorized aid of any kind.
  - No watches, hats, hoodies, sunglasses, ear/headphones during the exam.
  - Silence your smartphone off during the exam and leave them in your bag.

- You may use a calculator (NO cell phone, mobile device, watch, or other electronics)
- 4) If you **arrive late to an exam**, you may take the exam in the time that remains as long as no one has turned in their exam and left the room. Once a student has turned in their exam, you will earn a zero on the test if you arrive late.
- 5) Violations of academic integrity will not be tolerated. For this course in particular, violations include, but are not limited to *anything that may be perceived as the following actions*:
  - obtaining or copying answers from other students' exams or any unauthorized resources
  - marking an exam after time has been called
  - talking during an exam while exams are still out
  - taking the wrong version of an exam
  - removing an exam from the examination room
  - removing pages from an exam
  - using unauthorized materials during an exam
  - having someone else take your exam for you or give you the answers
  - falsely claiming about having taken an exam or completed an assignment
  - falsifying identification on an exam during or after the exam
  - using an unapproved device/item during an exam (i.e., smartphone, watch, etc.)

Academic Integrity is expected of everyone at UC San Diego. You are responsible to know and observe the UC San Diego rules concerning academic integrity. This means that you must be honest, fair, responsible, respectful, and trustworthy in all of your actions. Lying, cheating or any other forms of dishonesty will not be tolerated because they undermine learning and the University's ability to certify students' knowledge and abilities. You are held responsible for violating academic integrity (or perceived violation) of any of the above-mentioned policies. Thus, any attempt to get, or help another get, a grade by cheating, lying or dishonesty will be reported to the Academic Integrity Office and will result in sanctions. Sanctions can include a failing grade for the exam and/or course in addition to the penalties imposed by the Academic Integrity Review Board. So, think carefully before you act. You are ultimately the only person responsible for your behavior. So, if you are unsure, don't ask a friend—ask me, your TA, or the Academic Integrity Office. You can learn more about academic integrity at [academicintegrity.ucsd.edu](http://academicintegrity.ucsd.edu).

### **Missing Exams:**

You are **expected** to take midterm 1 and midterm 2 at the time and date specified in the course calendar. If, for some very compelling and unforeseen reason, you are unable to take a midterm 1 or midterm 2 at the specified time and date, you must provide a verifiable University-approved excused absence indicating why you were physically unable to take the midterm (this should be done in advance except for emergency situations).

With the exception of extenuating circumstances such as hospitalization, it is your responsibility to notify me by 5pm PST of the scheduled exam date that was missed. This responsibility includes verifying that I received your information through email. If you do not receive a confirmation email from me regarding your absence, you should assume that I did not get your email. Those who present me with a written verifiable University-approved excused absence will have the missed midterm be re-weighted as part of the final.

- If you miss any midterm without a verifiable University-approved excuse you automatically receive a zero on the assessment.
- No rescheduled or make-up exams.
- No exam scores are dropped.
- Retaking an exam is not an option.

- You MUST take the final with the rest of the class as scheduled by the registrar. Plan your travel schedule accordingly.

### **Grading Inquiries:**

If you believe your exam was not graded properly, you may request a re-grade within one week of the posted score. Email me with a re-grade request, explaining why you believe the exam was not graded properly. I will re-grade your entire exam, not just the question you think may have been graded improperly and therefore your new grade may be higher or lower than your original grade. You may not ask for another re-grade or go back to your original score.

### **Technology Prerequisites:**

It is your responsibility to make sure you are enrolled in the remote course (Canvas) by registering for the class formally through the university. I am unable to provide you access to the Canvas course if you are not already enrolled. Routinely check your email for announcements. Any questions regarding Canvas issues or general technology issues should be directed to ITS@ucsd.edu.

### **Professionalism Expectations:**

The following are my expectations for professional behavior in the classroom:

- Be respectful to your fellow classmates, professor, and guest speakers.
- Dress appropriately and follow classroom etiquette.
- Recording devices of any kind is prohibited in the classroom without my written consent.

*"Not attending class is like renting a hotel room then sleeping on the street." - Unknown*

Each time you enter our classroom, you are agreeing that you are prepared and willing to contribute to a positive learning environment without necessarily being called on. I designed the course under the assumption that you are actively participating in our course – if you miss class, you will miss materials on exams, or miss clarifications about concepts, which will lower your grade. Engaging participation and asking questions when you are confused helps in your understanding of the materials, which improves your grades on exams. Engagement during class has a positive impact on your grade. If you miss class, it is your responsibility to get the notes and announcements from another student. Any behavior/attitude which may lead to a negative learning environment will negatively affect your overall course grade.

As a college student, your ultimate goal is to obtain a job and enter the professional world. Therefore, this course requires professional behavior, contribution, and preparation. A good way to think about professionalism is to consider whether or not what you are doing would be acceptable during a meeting or at your job. The following are some of what will be taken into account:



Attend class on time and remain for the entire class



Be attentive/present and do not work on other tasks



Complete all readings/watch all videos BEFORE class



**PARTICIPATE FULLY** Active engagement is key to learning



Mute cell and turn off all notifications on computer



Respect your fellow classmates, teaching assistants, and professor

To preserve a respectful learning environment and protect student privacy, it is a violation of the student code of conduct to:

- record, take screenshots or pictures of, or otherwise reproduce any part of the class sessions and content

### **HOW TO BE SUCCESSFUL IN THIS CLASS:**

This course will be successful only with a joint effort. I will work to stimulate your interest and learning, while you should be prepared to discuss and analyze the concepts learned. Economics is a subject that requires practice to become familiar with the new meanings for words you already know. You must begin to think in a new way. Attendance is critical for success in this class. While the textbook provides valuable information that will assist you in understanding the course, due to our time constraint, we will not be able to cover all the material presented by the authors. Class lectures will help you to focus on the main concepts, gain a different perspective of the materials, and participate and ask questions. I may also introduce additional materials that are not found in the textbook. Each subject build on previous materials. Mastery of the subject is much easier if you attend regularly.

**Actively** listening to video lectures, reading the textbook, engaging in class discussions, and completing all course requirements will be keys to success. **Do not fall behind in the material.** Working with another person or in a small group can also help reduce the time you study and improve your understanding of the materials. Do not hesitate to stop by my online office hours if you are having trouble with the materials. Perhaps I can suggest different study techniques.

### **Special Assistance:**

If you have, or think you may have, a disability that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through the Office for Students with Disabilities (OSD). Additionally, email me as soon as possible so that we can make suitable accommodations for you. Contact the OSD for further information: 858.534.4382 (phone), [osd@ucsd.edu](mailto:osd@ucsd.edu) (email), <http://disabilities.ucsd.edu> (website).

### **EMAIL:**

You should check your UCSD email account on a regular basis for up-to-date information relating to the class. If you operate another email account, you must have your registered UCSD student email account forwarded to your alternate account. Failure to check your UCSD email account is not an excuse for missing announcements and any course-related materials or requirements.

**Class Topics:***Macroeconomics: Issues and Data*

- Ch16: Macroeconomics: A Bird's-Eye View of the Economy
- Ch17: Measuring Economic Activity: GDP and Unemployment (+ Ch20: "Types of Unemployment & their Costs" p. 544-546.)
- Ch18: Measuring the Price Level and Inflation

*The Economy in the Long-Run*

- Ch19: Economic Growth, Productivity and Living Standards
- Ch21: Savings and Capital Formation
- Ch22: Money, Prices, and the Federal Reserve
- Ch23: Financial Markets and International Capital Flows

*The Economy in the Short-Run*

- Ch24: Short-Term Fluctuations: An Introduction
- Ch25: Spending and Output in the Short Run
- Ch26: Stabilizing the Economy: The Role of the Fed (as much as time permits)
- Ch28: Exchange Rates and the Open Economy

**FREQUENTLY ASKED QUESTIONS AND ANSWERS:**

Q: The text is listed as required; do I really need to buy it?

A: The textbook is a great resource; you can gain additional insights from the text that we do not have time to cover in class.

Q: What if I missed a lecture because I was sick?

A: Watch the pre-recorded lecture videos and get the notes and announcements from your classmates. Reach out to me if you have any questions. Although I will be more than happy to answer any clarifying questions you may have, in fairness to everyone else in class, I will not be able to provide you with a private lecture in place of the one you missed. You are responsible for all material covered in class or assigned during a class, even when you are absent.

Q: Are there any extra credit assignments I can do to improve my grade because I am on scholarship/an athlete/a graduating senior/on academic probation/an international student?

A: In fairness to your classmates, I cannot offer you any extra credit without being able to offer these opportunities to everyone else in class. Do not wait until the end of the quarter to speak to me about your grade. Come to see me earlier in the quarter if you need assistance with the course.

Q: How can I help make the course more memorable?

A: Be yourself. If you have something to share, then share it. If you know of something that would improve the class please tell me.

**TENTATIVE CLASS SCHEDULE (SUBJECT TO CHANGE):**

<b>Class</b>	<b>Topics/Deliverables</b>	<b>Textbook Readings</b>
Week 1 3/29, 3/31	T1 – Overview T2 – GDP	Ch.16, 17
Week 2 4/5, 4/7	T2 – GDP (con't) T3 – Unemployment	Ch.20 (p. 544-546.)
Week 3 4/12, 4/14	T4 – Inflation	Ch.18
Week 4 4/19, 4/21	<b>Midterm I - Macroeconomics: Issues and Data (4/19)</b> T5 – Economic Growth	Ch.19
Week 5 4/26, 4/28	T6 – Savings and Capital Formation T7 – Money and Prices	Ch.21, 22
Week 6 5/3, 5/5	T7 – Money and Prices (con't) T8 – Financial Markets	Ch.23
Week 7 5/10, 5/12	<b>Midterm II - The Economy in the Long-Run (5/10)</b> T9 - Business Cycle	Ch.24
Week 8 5/17, 5/19	T10 – Fiscal Policy	Ch.25
Week 9 5/24, 5/26	T11 – Monetary Policy	Ch.26
Week 10 5/31, 6/2	T12 – Open Economy	Ch.28
Week 11	<b>Final (6/9) 8 – 11 a.m.</b>	