

Economics 110B – Section A00 – Winter 2006
Macroeconomics

Instructor:	Genevieve Peters
Office:	Economics Building, Room 110B
Office Hours:	TuTh 1:30 – 3:00 p.m.
Phone:	(858) 534-7974
E-mail:	send2gpeters at cox.net
Classroom:	Peterson Hall 110
Class Time:	TuTh 3:30 p.m. – 4:50 p.m.
Class Web Page:	http://weber.ucsd.edu/~gpeters/econ110b/

COURSE DESCRIPTION

This course is a continuation of Economics 110A, and will build upon the models presented in that class. We will extend the basic IS-LM model to examine how our expectations affect the performance of the economy. We will then discuss how international trade affects the domestic macroeconomy. Finally, we will look at modern theories of depressions and hyperinflation, and new developments in our understanding of fiscal and monetary policy.

PREREQUISITES

The prerequisite for Economics 110B is Economics 110A.

TEXTS

The required text for this class is Macroeconomics, 4th Edition by Olivier Blanchard. The Student Study Guide by David Findlay is also strongly recommended.

COURSE READINGS

We will be covering chapters 14 - 27 from Blanchard's text. The reading assignments for each lecture are outlined in the class schedule below. Lectures will focus on the more difficult material in the readings, but you will be responsible for all of the material in each chapter. You will get a lot more out of this class if you read the required chapters before each lecture.

ATTENDANCE

Class attendance is an individual student responsibility. Although daily attendance is not recorded, the lectures will be more mathematical than the text, and I will provide examples during lectures that do not appear in the textbook but are fair game for examination. Thus, frequent absences may adversely affect performance.

PRACTICE PROBLEMS

You are strongly encouraged to work through the questions at the end of the chapters in the Blanchard text, as well as in the Student Study Guide that accompanies this text. Solutions to the problems at the end of each chapter (4th edition) will be posted at <http://webct.ucsd.edu>. You can expect to see similar problems on exams. These problems will not be collected and will not be graded.

STATEMENT OF ACADEMIC INTEGRITY

Students are expected to do their own work, as outlined in the UCSD policy on Academic Integrity published in the UCSD General Catalog. Cheating will not be tolerated, and any student who engages in suspicious conduct will be confronted and subjected to the disciplinary process. Students found guilty of academic misconduct will receive a failing grade on the exam and/or in the entire course. They may also be suspended from UCSD.

EXAMINATIONS

Two midterm exams and one final exam will be given in this section. The midterm exams will be given during class time on **Thursday, February 2nd** and **Thursday, February 23rd**. The final exam will be given on **Friday, March 24th from 3 - 6 p.m.**

No notes, books, study aids, calculators, or other personal electronic devices will be allowed in these exams.

All three exams must be taken at the scheduled time and place; they will not be given “early”. Students who arrive late will not receive extra time to complete their exam. Once a student completes the exam and leaves the exam room, no other student will be permitted to start the exam.

MISSED EXAMINATIONS

No make-up exams will be given in this class. Students who miss a midterm exam without a university accepted excuse will receive a grade of **zero (0)** for the exam. Students who miss a midterm with a university accepted excuse will have the weight of the final exam increased accordingly. You must take the final exam to receive a grade in this course.

Excuses for missed exams must be pre-approved by the instructor (except when this is not possible in an emergency situation). Students who make initial contact after the exam will have to document why they could not make contact prior to the exam. In addition, any student who misses an exam due to physical illness will be required to provide documentation from a health care professional indicating why the student was physically unable to take the exam. All documentation and an additional signed written statement explaining the relevant circumstances of the absence must be provided to the instructor within two working days of the student’s return to campus. Failure to comply with any of the above in the specified manner will result in a grade of **zero (0)** for the exam.

GRADING

Numerical grades will be assigned as follows:

Midterm I	=	20%
Midterm II	=	30%
<u>Final Exam</u>	=	<u>50%</u>
Total	=	100%

Letter grades will be assigned as follows:

Letter	A	A-	B+	B	B-
Numerical Range	90% - 100%	85% - 89%	80% - 84%	75% - 79%	70% - 75%
Letter	C+	C	C-	D	F
Numerical Range	65% - 69%	60% - 64%	55% - 59%	40% - 54%	0% - 39%

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CLASS SCHEDULE

	<u>Date</u>	<u>Reading Assignment</u>
Tuesday	January 10	Expectations: The Basic Tools (Chapter 14)
Thursday	January 12	Expectations: The Basic Tools (Chapter 14) Financial Markets and Expectations (Chapter 15)
Tuesday	January 17	Financial Markets and Expectations (Chapter 15)
Thursday	January 19	Expectations, Consumption, and Investment (Chapter 16)
Tuesday	January 24	Expectations, Consumption, and Investment (Chapter 16)
Thursday	January 26	Expectations, Output, and Policy (Chapter 17)
Tuesday	January 31	Expectations, Output, and Policy (Chapter 17) Openness in Goods and Financial Markets (Chapter 18)
Thursday	February 2	Midterm 1 (Covers Chapters 14 – 18)
Tuesday	February 7	The Goods Market in an Open Economy (Chapter 19)
Thursday	February 9	The Goods Market in an Open Economy (Chapter 19) Output, the Interest Rate, and the Exchange Rate (Chapter 20)
Tuesday	February 14	Output, the Interest Rate, and the Exchange Rate (Chapter 20)
Thursday	February 16	Exchange Rate Regimes (Chapter 21)
Tuesday	February 21	Exchange Rate Regimes (Chapter 21) Depressions and Slumps (Chapter 22)
Thursday	February 23	Midterm 2 (Covers Chapters 14 – 22)
Tuesday	February 28	High Inflation (Chapter 23)
Thursday	March 2	High Inflation (Chapter 23) Should Policy Makers Be Restrained? (Chapter 24)
Tuesday	March 7	Should Policy Makers Be Restrained? (Chapter 24) Monetary Policy: A Summing Up (Chapter 25)
Thursday	March 9	Monetary Policy: A Summing Up (Chapter 25) Fiscal Policy: A Summing Up (Chapter 26)
Tuesday	March 14	Fiscal Policy: A Summing Up (Chapter 26)
Thursday	March 16	Epilogue: The Story of Macroeconomics (Chapter 27)
Friday	March 24	Final Exam from 3 – 6 p.m. (Covers Chapters 14 - 27)