

ECON 110B –MACROECONOMICS B (Winter 2012)

Class Meetings: MWF, 11:00-11:50am, Petersen Hall 110

Instructor: Lili Xie

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Office Hours: MW, 1:00-2:00pm

Class Webpage: <https://ted.ucsd.edu/>

Course Information

- Description: This course builds upon the materials you learned in Econ110A. I will assume that you are familiar with the models and the terminology presented in that course. Econ110B consists of three parts. In the first part, we will extend the basic IS-LM model by introducing the role of expectations and we will look at their effect on the economic activity and on economic policies. In the second part, we will consider the interaction between international trade and the domestic economy. In the third part, we will explore recent developments in the analysis and the design of monetary and fiscal policies.

Required Book and Materials:

- Olivier Blanchard, *Macroeconomics*, 5th ed. The UCSD custom edition is fine. The Student Study Guide by David Findley is strongly recommended. Textbooks are available at the Bookstore and at the library on reserve.

Course Readings:

Course readings are listed below. Lectures will focus on the more difficult materials but you are responsible for all the materials in each chapter. It is strongly recommended that you read the required chapters before each class.

Topic	Chapter
Expectations: The Basic Tools	14
Financial Markets and Expectations	15
Expectations, Consumption, and Investment	16
Expectations, Output, and Policy	17
Openness in Goods and Financial Markets	18
The Goods Market in an Open Economy	19
Output, the Interest Rate, and the Exchange Rate	20
Exchange Rate Regimes	21
Depressions and Slumps	22
A Closer Look at Monetary Policy	25
A Closer Look at Fiscal Policy	26

Attendance:

- Class attendance is individual students' responsibility. However, due to the mathematical nature of the course, frequent attendance can help your performance significantly. Students who show up frequently and actively participate in class discussion may also be considered for an upgrade if they are on the border of two grades.

Practice Problems:

There is no graded homework. However, there are three sources of practice problems that you can make use of:

- Student Study Guide: Students who made intensive use of the study guide have been much happier with their grades than those who did not.
- Practice Problem Sets: Posted on TED
- After chapter problems

Evaluation:

- Your grade will be determined based on: Midterm I (25%), Midterm II (35%), and Final (40%). Final will be cumulative.
- Exam Dates (Please mark these in your calendar):
Midterm I: 11:00-11:50am, Feb. 3rd (Friday), in class
Midterm II: 11:00-11:50am, Feb. 24th (Friday), in class
Final Exam: 11:30am-2:30am, **March 19th** (Monday), Room TBA
- Make-up Policy: There will be no make-up exam available in this class. **You must take the final exam in order to receive a grade in this course.** The date is written above, be sure to mark your calendar. If you miss a midterm exam for a verifiable medical/legal/sports reason, the weight of the **final** exam will increase accordingly. Excuses for missed exams must be pre-approved by Prof. Xie except when it is impossible in an emergency situation. All documentation for proving the claimed excuses must be provided to Prof. Xie within two working days of the student's return to campus. Failure to comply with any of the above will result in a **zero grade** for that exam.
- Regrade Request: If you would like a regrade of your midterm exam, please make a request in writing to your TA **within one week** after the exam is returned. You need to state your reason for requesting a regrade clearly. It will be at the discretion of the TAs whether your exam grade will be changed. **There will be no regrading for final.**
- Grade Distribution: Total grade for the course will be curved. However, I will not curve individual exam grades. I will offer you some statistics to help you gauge how you are doing in class after each exam.
- Academic Dishonesty: 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.

Discussion Sessions:

There will be weekly review sessions led by teaching assistants (Tuesday 8:00-8:50pm in Center Hall 101). Although you are not required to attend these sessions, you can get additional help on class materials from them. TAs will explain problems similar to those that you will see on exams and can also answer your questions.