



Welcome to Principles of Macroeconomics!

ECON 3

*What is macroeconomics?

*In Ancient Greek:

- micro = small
- macro = large
- economia = management of the household or family

*In English:

- Microeconomics = the study of how individuals or small groups of people manage limited resources.
- Macroeconomics = the study of how large groups of people (i.e. whole economies) manage limited resources.

Economics 3 – Principles of Macroeconomics, Winter 2018

Lectures: MWF

Peterson 110

Professor: Valerie Ramey

Office: Department of Economics, Room 326

Class Email: econ3ramey@gmail.com

(We will not answer questions about discussion section problems. You must go to section to discuss answers to those problems.)

Office Hours: Tues., 1:30 pm – 3:15 pm

Who am I?

- Professor of Economics – at UCSD since 1987.
- BA from University of Arizona, with a double major in Economics and Spanish.
- I worked for Toyota at their US headquarters in Marketing Planning after I graduated.
- I then went back to get my PhD in Economics from Stanford.
- Main area of research is macroeconomics. My current specialties are the effects of government spending, labor markets, time use.
- I am a Research Associate of the National Bureau of Economic Research (NBER). I am also on the NBER Business Cycle Dating Committee.
- I serve on several Federal government committees, such as the Panel of Economic Advisers for the Congressional Budget Office.

REQUIRED MATERIALS FOR THE CLASS

1. The UCSD custom edition of Principles of Economics, 6th Edition, by Frank, Robert H., Ben S. Bernanke, Kate Antonovics and Ori Heffetz (2015), *Principles of Economics*, 6th edition, McGraw-Hill Irwin. There is a custom version of this textbook available at the UCSD Bookstore for \$106.67. This book is also used for Econ 1 and Econ 2. (Other editions are acceptable substitutes.)
2. **i>clicker or i>clicker2** (if you want the clicker to count for your grade)
3. A **nonprogrammable scientific calculator**. (Example, TI-30XA available online for under \$20.)
4. **Materials** that will be posted on tritoned.ucsd.edu.

COURSE WEB PAGE:

tritoned.ucsd.edu.

ALL course information, quizzes, and materials including a copy of this syllabus and the TAs' office hours and contact information are posted on the class web page.

Register your clicker for this class on tritoned or else your clicks won't count!

There will also be a video podcast available at:

<http://podcast.ucsd.edu/>

Optional Material

McGraw-Hill LearnSmart

<http://connect.mheducation.com/class/v-ramey-winter-2018>

Customer Support (students and instructors) 800 331 5094 FREE

There is **no** credit given for doing LearnSmart. This extra resource is being made available to you in case you have already purchased the access code and want to use LearnSmart.

Goals for this course

- To provide you with a basic understanding of **how the macroeconomy works.**
- To inform you about **current macroeconomic events.**
- To develop further some of your **key college skills:**
 - Logical thinking
 - Precise mathematical and other technical skills
 - Logical, well-crafted writing
 - Verbal fluency in economics lingo

What Do Employers Say About Our Students?

- The Good things

1. Smart, technically well-trained.
2. Hardworking.

- The Top Complaints

1. Many of our students cannot write well. Their writing is often not very logical, not organized, and not well-crafted.
2. Many of our students cannot speak well.
 - They don't speak economics fluently.
 - They aren't good at thinking on their feet.
3. (Previously, but not anymore) Our students didn't know Excel basics.

Four Extra Things I Do to Help Develop Your Skills

1. Excel homework problems.
2. Clickers.
3. Writing practice and essay questions.
4. Application of tools to current events.

1. Excel Homework Problems

- I started doing this in 2014 after I was chair of the department and heard alumni talk about how important it was for students to know Excel.
- We set up modules so that other professors could incorporate Excel homework in their classes.
- In surveys of our recent seniors who got jobs, the vast majority said that knowing Excel was somewhat important or very important for helping them get their job.

2. How Clickers/“Peer Instruction” help with speaking and learning in general

- They engage you in the material as it is being presented because you have to answer questions using clickers.
- They encourage you to have meaningful discussions with your peers (i.e. fellow students) in class.
- When you explain your answer to a fellow student, you get a chance to “speak the lingo” of your discipline.
- When your fellow student explains an answer to you, you may understand the material better than when the professor explains it.

Clicker Routine

1. Presentation by professor of key concepts.
2. Professor stops and poses a multiple choice question based on material just presented.
 - A. Think about the question by yourself and vote solo with no discussion.
 - B. Discuss the answers with your classmates.
 - Practice analyzing, talking about challenging concepts
 - Reach consensus
 - If you have questions, raise your hand and I or the TAs will come around
 - C. Each person in group votes. You must all vote the same.
 - D. Class-wide discussion

3. Practice Writing

- I have had numerous students in Econ 3 who said that they always got A's on their exams but didn't do well on mine.
- When I went over their exams with them, I often learned two things: (i) they missed most of their points on the essay questions rather than the multiple choice parts; (ii) they came from high schools where most exams were multiple choice.
- Being good at multiple choice doesn't help you in life because life is not a multiple choice exam.
- Our students desperately need practice and feedback to help them write logically and clearly so that (i) they can do well in upper division courses (which include essay questions on exams) and (ii) they can get jobs!

What I will do to help you make a start on good economics writing

- Because I want to ease the transition for you, most questions will still be multiple choice, but each exam will have some short essay questions.
- To prepare you:
 - I will discuss in lecture and the TAs will discuss in section how to write good answers to practice essay questions.
 - We will give you the opportunity to write an answer to a practice question so that we can grade it and give you feedback. (Your grade will not count.)
- Another important writing resource where you can get free tutoring:

The Writing Hub,

<http://commons.ucsd.edu/students/writing/index.html>

4. Application of the material to current events

- The opportunity to apply what you have learned to current events is one of the most fun things about Econ 3.
- It will help you in job interviews both because you will be knowledgeable about what is going on in the world economy and you will understand how the tools of economics can be used in business analysis.

Weekly Routine

1. **Before** coming to class, watch a video or read an article and take quiz (if assigned) and download partial lecture notes for taking notes during class (written or electronic).
2. **During** class, take notes, ask questions, participate in clicker discussion.
3. **Attend** your assigned discussion section (but not the first week). Attendance is recommended, but not required.
4. **Read the textbook.**
5. **Complete** homework assignments on Tritoned (typically one per week).
6. **Keep up** with the latest macroeconomic news.

Grades

Item	Option 1	Option 2
Homework and Quizzes (on Tritoned) <ul style="list-style-type: none"> the lowest % homework score dropped The lowest 15% of lowest % quiz scores dropped. 	5%	5%
In-Class Clicker discussion questions <ul style="list-style-type: none"> Graded only on participation - at least 75% of time. 5 lowest classes automatically dropped 	5%	0%
Midterm #1 Wed. Jan. 31: 8:00 - 9:20 pm Peter 108 or Peter 110	20%	20%
Midterm #2 Wed. Feb. 21: 8:00 - 9:20 pm Peter 108 or Peter 110	20%	20%
Final Exam (Cumulative, but with more emphasis on later material) 11-11:50 class: Mon. March 19, 11:30-2:30pm 12 -12:50 class: Wed. March 21, 11:30-2:30pm	50%	55%

COURSE GRADE = max { OPTION 1 , OPTION 2 } (Calculated automatically)

Academic Integrity

Academic dishonesty will not be tolerated. All suspected cases of academic dishonesty will be reported to the Academic Integrity Coordinator. Students found guilty of academic dishonesty will earn a failing grade for the course in addition to the penalties imposed by the Academic Integrity Review Board.

The following are just a few examples of academic dishonesty:

- Having another student complete an assignment for you or give you answers to specific questions (including homework).
- **Bringing your friend's clicker to class** when they are absent or letting your friend click for you.
- Using unauthorized materials during an exam.
- Looking at another student's answers during an exam.
- Having someone else take your exam for you.
- Lying about having taken an exam or completed an assignment.

For more information, go to: <http://academicintegrity.ucsd.edu/excel-integrity/define-cheating/index.html>

ADMINISTRATIVE ISSUES

1. If you need to miss a midterm for a verifiable medical/legal/sports reason, I will up-weight your grades on the other midterm and the final. Failure to notify me promptly that you must miss a midterm will result in a zero grade for that midterm. Unexcused absences will also result in a zero.
2. If you arrive late to an exam, I will allow you to take the exam in the time that remains as long as no one has turned in his/ her exam and left the room. Once a classmate has turned in his/her exam, you will earn a zero on the test if you arrive late.
3. UCSD has automated waitlists. If you have any questions regarding adding the class, please refer to Triton Link or contact the undergraduate advisors in Sequoyah Hall 245.

Topic Outline

Chapter 15: Spending, Income and GDP

Chapter 16: Inflation and the Price Level

Chapter 17: Wages and Unemployment

Chapter 18: Economic Growth

Chapter 19: Savings, Capital Formation, and Financial Markets

Chapter 20: Money, Prices, and the Financial System

Chapter 21: Short-Term Fluctuations

Chapter 22: Spending, Output, and Fiscal Policy

Chapter 23: Monetary Policy and the Federal Reserve

(skip chapters 24-25)

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

(we will do as much as time permits)

Questions about Syllabus?

Teaching Assistants

TA	Section	TA	Section
Tara Sullivan	A01 Tues. 8 - 8:50 pm	Chelsea Swete	B01 Mon. 6 - 6:50 pm
Emilien Gouin-Bonefant	A02 Tues. 9 - 9:50 pm	Linyan Zhu	B02 Mon. 7 - 7:50 pm
Alyssa Brown	A03 Thurs. 7 - 7:50 pm	Tyler Paul	B03 Mon. 8 - 8:50 pm
Kevin Ray	A04 Thurs. 8 - 8:50 pm	TBA	B04 Mon. 9 - 9:50 pm
Yingxue Sun		Yuxuan Zhang	

Graders:

Erin Giffin
Grant Johnson
Parker Rogers