

Syllabus for Economics 146: Economic Stabilization, Winter Quarter 2022

Instructor: Dr. Darrel Cohen Email: dscohen@ucsd.edu

---Class: Tuesdays and Thursdays from 12:30 PM to 1:50 PM Center 113

The lectures will be recorded or podcasted and available for use by all students.

---Office Hours: Tuesday/Thursday, 10:00 AM to 11:30 AM, Economics Building 113

I love talking to students during office hours throughout the quarter and not just on the day of an exam, so please stop by in person (or remotely if we are online) as often as you like.

Preamble: I recognize that we all continue to be under an unusual amount of stress, owing to the pandemic, and will do my best to mitigate it. Nonetheless, my hope and aim is to provide a very high quality intellectual experience for students.

Campus policy is to deliver lectures via ZOOM (remotely) through January 17; the lectures will be recorded. Hopefully we will be back in person for class on January 18. If so, students should expect to attend class in person. If they feel sick or under the weather or need to quarantine, they will have access to the podcasted lectures. Of course, it is possible that remote instruction will be extended beyond January 17.

Exams will depend on whether or not we are in a remote instruction environment. If we are, then exams will be given remotely via Canvas. By contrast, if we are back to in-person instruction then the expectation is for students to take exams in person, but taking them remotely would be allowed if the student is not cleared for campus the day of an exam. *The bottom line is that we all need to remain flexible in these uncertain times.*

Course Overview

This course presents facts and models of business cycles as well as the theory and practice of stabilization policy. 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. To help keep the material topical, we will discuss and model the financial crisis of 2008-2009 and the corona-virus pandemic of 2020 to present. Each episode resulted in a dramatic business cycle recession and included zero interest rates and a great deal of innovative fiscal and monetary policy. My hope is that students will follow macroeconomic events during the course and apply course material to better understand recent developments and/or to stimulate questions in class. It's always fun when a student raises a question in class about the "real world" and we spend some time discussing it.

Textbooks and Other Reading

I rely primarily on extensive lecture notes posted on the course Canvas page; *this is the only required reading*. The textbook assigned for the Economics 110 sequence is helpful for parts of the course; the book is *Macroeconomics* by Charles Jones. Also very 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.

Useful Web sites

<http://www.federalreserve.gov/monetarypolicy/> this contains FOMC statements, etc.
<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 **4** equally-weighted exams (including the "final" exam). The exams are "open book," meaning you can use any reference material (including my lecture notes, textbooks, homework problems, etc.) but you **cannot** use the help of another person during the exam (which is cheating).

I will drop your worst score on the exams; the remaining 3 scores will each count 33% of your course grade. This approach should help lower stress levels; it also should help students who are unable to take an exam due to illness, etc. It is possible that class participation, extra credit (if assigned), etc. could help raise a borderline course grade; this has happened in my past courses, but only on rare occasions. Given this past history, it is a better use of your time to study the material than do extra credit if the goal is to improve your course grade..

I last taught this course in Spring 2020 when it was given entirely online. Each exam was worth 75 points and I only counted the best 3 scores. It took a cumulative total of 125 points to pass the course and it took 195 points to get an A- course grade. I would expect something similar this time although, obviously, I cannot promise anything.

I will provide exact dates for the midterms early in the quarter after I determine how quickly we are proceeding through the material.

There will be ungraded homework assignments, each with problems of varying degrees of difficulty; after students have had time working on the assignments, I will post answer keys. Working through the homework is **essential** to understanding the material and doing well on the exams. In addition, I will give detailed study hints to help you prepare for the exams.

Administrative Issues

1. If you have a documented disability, please give me or the economics department your documentation, so we can work on your accommodations.
2. Academic dishonesty will not be tolerated. Students are expected to do their own work, as outlined in the UCSD Policy on Integrity of Scholarship. I reserve the right to give an oral exam to students suspected of cheating and to fail students found guilty of academic misconduct. For a review of UCSD policy, please see <http://www-senate.ucsd.edu/manual/appendices/app2.htm>. All suspected cases of academic dishonesty will be reported to the Academic Integrity Coordinator.