

Economics 3 – Principles of Macroeconomics

Tu-Th, 8:00 - 9:20 am, Peterson Hall 110

Instructor: Aeimit Lakdawala

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Office: Sequoyah Hall 233

Office Hours: Thursdays 1:30 – 3:30

Course Description

Macroeconomics deals with big picture issues like growth, business cycles, inflation, unemployment and monetary and fiscal policy. The key objective of the course is to become familiar with these concepts and develop a coherent framework to analyze related issues.

Prerequisites: Economics 1

First 3 lectures: I will be away from San Diego finishing research at the Bank of England during the end of September and will miss the first three lectures. Professor Valerie Ramey has very generously agreed to give these first three lectures in my place.

Required reading

Robert H. Frank and Ben S. Bernanke (2009), *Principles of Economics*, 4th edition, McGraw-Hill Irwin. Although the topics covered in class will follow the text, the lectures will contain material not in the text. Thus, regular class attendance is very important. You should also try to become well informed about the current state of the U.S. economy.

Exams and Grades Composition

There will be two midterms and a cumulative final. The final course grade is composed as follows:

10%: Homework Assignments

25%: Midterm 1 (Thursday, October 21), in class

25%: Midterm 2 (**Tuesday, November 9**), in class

40%: Final (Tuesday, December 7, 8:00 – 11:00 a.m.), location: tba

Missed Exams

There will be no make-up midterms. If you have to miss a midterm due to an emergency your final exam grade will replace that midterm grade. Unless you are in the emergency room you must contact me **at least two days before** the midterm exam to receive explicit permission to miss the exam.

Academic Integrity

You are required to turn in your own work, including homework, in this class. Students who are suspected of violating the student conduct code, by collaborating on homework assignments, copying from others' exams, or using unauthorized materials will not be allowed to complete the course and will be reported to the Office of Student Conduct.

Class Attendance and Participation

Attendance at lectures is mandatory. Although the content will follow the book, I will also present material from other sources. You are strongly encouraged to do the required reading before each lecture and engage in discussions during lecture. Lecture slides will not be made available to students, so you must take your own notes. If you miss a lecture for some reason, you should borrow notes from a classmate. **The TA is not responsible for giving students a copy of lecture notes.**

Teaching Assistants: Office Hours

- Cynthia Wu, Wed 2-3 & 4-5, Seq 234,
- Lucy Huang, Mon 3-5, Seq 244
- Christopher Fan, Mon **1-3**, Seq **231**
- Kevin Nguyen, Tue 9:30-11:30, **Econ 106**

Sections

You are strongly encouraged to attend the section that you are registered for. The TA will lead discussions focusing on practice problems. To take full advantage of these sessions, you should try to complete the practice problems before section and have questions about the material prepared for the TA. The sections are all in **Center Hall 222**.

- A01 – Lucy Huang, Mondays, 2-2:50p , luhuang@ucsd.edu
- A02 – Cynthia Wu, Wednesdays, 3-3:50p, jingwu@ucsd.edu
- A03 – Christopher Fan, Wednesdays, 4-4:50p, cfan@ucsd.edu
- A04 – Kevin Nguyen, Fridays, 1-1:50p, ktn025@ucsd.edu

Homework Assignments

Homework will be assigned on a regular basis. You are required to use **Connect**.

Connect

Connect is a convenient online homework system. Problem sets will be posted on the class website on Connect and you will submit the answers online as well. Here are the options for getting access to Connect.

- 1) Bundled for free with the purchase of the course textbook from the UCSD bookstore.
- 2) Purchase it online for \$40 if you already have the textbook
- 3) Purchase **Connect Plus** which includes an E-Book and Connect access for \$87.25.

Registration & Purchase

Go to the following section URL http://connect.mcgraw-hill.com/class/a_lakdawala_fall_2010 to register. You will be given options to enter your access code or purchase online. You can also choose the trial option, which will require you to pay within 21 days.

Support & Tips

If you have any issues while registering or using Connect, please contact McGraw-Hill's care team through <http://www.mhhe.com/support>. To avoid problems related to unexpected technical issues, you are advised not to wait until the last moment to complete the assignment. Please review the following document for some helpful tips:

http://mpss.mhhe.com/assets/Student_Quick_Tips.pdf

Outline of the course:

Part 5: Macroeconomics: Issues and Data

Chapter 16: Spending, Income and GDP

Chapter 17: Inflation and the Price Level

Chapter 18: Wages and Unemployment

Part 6: The Economy in the Long-Run

Chapter 19: Economic Growth

Chapter 20: Savings, Capital Formation and Financial Markets

Chapter 21: The Financial System, Money, and Prices

Part 7: The Economy in the Short-Run

Chapter 22: Short-Term Fluctuations

Chapter 23: Spending and Output in the Short Run

Chapter 24: Stabilizing the Economy: The Role of the Federal Reserve

Chapter 25: Aggregate Demand and Aggregate Supply

Part 8: International Economy

Chapter 27: Exchange Rates and the Open Economy

Chapter 28: International Capital Flows (p. 824-831)