MACROECONOMICS B

ECONOMCS 110B - WINTER 2008 - SECTION A00

Instructor: Prof. Giacomo Rondina
Office: Economics Building, Room 306
Office Hours: Tue-Thu 5:15 p.m. – 6:15 p.m. or by appointment
Phone: (858) 534-1059
E-mail: grondina@ucsd.edu

Teaching Assistants: Radu Monteanu
Email: rmuntean@ucsd.edu
Office Hours: Tue-Thu 1pm-2pm Econ 111

Classroom: Center Hall 214
Class Time: Tue-Thu 6:30 p.m. – 7:50 p.m.
Class Web Page: http://webct.ucsd.edu

COURSE DESCRIPTION

This course builds upon the material you learned in Economics 110A. I will assume that you are familiar with the models and the terminology presented in that course. Economics 110B 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.

PREREQUISITES

Economics 110A is the prerequisite for Economics 110B.

TEXTS

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

COURSE READINGS AND ATTENDANCE

We will cover chapters 14-21 and 24-26 from Blanchard's textbook. Lectures will cover the more difficult material but you will be responsible for all the material in each chapter. It is strongly recommended to read the required chapters before each class. You can find the class schedule below. In class I will present examples and remarks that do not appear in the textbook but that will be part of the three exams. Being present in class is an individual student responsibility.

PRACTICE PROBLEMS

I will regularly post on the class website the solutions to the problems at the end of each chapter of the textbook. In addition, I will post practice questions of the sort you will find in the midterms and the final. These problems will not be collected and will not be graded. However, your performance in this class crucially depends on your constant practice. Whether you regularly work on the problem sets or not will show up in your grades of the midterms and the final.

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

There are two midterm exams and one final exam for this course. The dates and times are the following:

Midterm 1, Thursday January 31, Class Time
Midterm 2, Thursday February 28, Class Time
Final Exam, Tuesday March 18, 7:00 p.m. – 10 p.m.

Please mark your calendar!

No notes, books, study aids, calculators, or other personal electronic devices will be allowed during the exams. All three exams *must* be taken at the scheduled time and place. Students who arrive late will not receive extra time to complete their exam. Once a student completes the exam and leaves the exam room he/she will not be permitted to start the exam again.

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 in order 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 1	=	20%
Midterm 2	=	30%
Final Exam	=	50%
Total		100%

ECON110B – SECTION A00 – WINTER 2008

Class Schedule

Reading assignments will be posted on the class website each week.

	Date		**Ch.**
Tue	Jan. 8	Nominal and Real Interest Rates – The IS-LM Model	14
Thu	Jan. 10	Expected Inflation, Monetary Policy and Interest Rates	14
Tue	Jan. 15	Expected Present Discounted Values Bonds Prices and the Yield Curve	14-15
Thu	Jan. 17	Stock Market and Stock Prices	15
Tue	Jan. 22	Modern Consumption and Investment Theories	16
Thu	Jan. 24	Expectations and Economic Activity	17
Tue	Jan. 29	Expectations and Monetary Policy	17
Thu	**Jan. 31**	**Midterm 1 – Class Time**	**14-17**
Tue	Feb. 5	Openness in Goods and Financial Markets	18
Thu	Feb. 7	**No Class**	
Tue	Feb. 12	Openness in Goods and Financial Markets The Goods Market in an Open Economy	18-19
Thu	Feb. 14	The Goods Market in an Open Economy	19
Tue	Feb. 19	Output, the Interest Rate, and the Exchange Rate	20
Thu	Feb. 21	Output, the Interest Rate, and the Exchange Rate Exchange Rate Regimes	20-21
Tue	Feb. 26	Exchange Rate Regimes	21
Thu	**Feb. 28**	**Midterm 2 – Class Time**	**14-21**
Tue	Mar. 4	Uncertainty and Policy	24
Thu	Mar. 6	Uncertainty and Policy Monetary Policy	24-25
Tue	Mar. 11	Monetary Policy Fiscal Policy	25-26
Thu	Mar. 13	Fiscal Policy	26
Tue	**Mar. 18**	**Final – 7:00 p.m. – 10 p.m.**	**14-21** **24-26**