

# Intermediate Macroeconomics

## UCSC Economics 100B (Summer 2014)

Instructor: Jesse Mora  
Office: Engineering 2, Room 405F  
Office Hours: Tue, 2–4 p.m. and by appointment.  
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### I Course Description and Objective

The objective of the course is to analyze the aggregate or “macro” behavior of the U.S. economy. The first part of the course will examine the economic theory of the long run. We will study the factors that determine income, savings, investment, exchange rates and the balance of payments in the long-run with a special focus on theories of economic growth.

The second part of the course will consider short-run business-cycle issues, like how do unemployment and inflation change during periods of unusually fast economic growth or periods of unusually slow or even negative growth. We will discuss the New-Keynesian approach to explaining recessions. We will also examine current issues in the conduct of monetary and fiscal policy. By the end of this course, you should be able to read and interpret articles in the Economist, Wall Street Journal, and other publications through the lens of economic analysis. The goal of the course is to give you the tools needed to analyze the aggregate (macro) behavior of the U.S. economy and understand it in a coherent framework as well as to understand monetary and fiscal policy responses to short and long run economic problems.

### II Course Schedule and Location

**Class:** Tue, Thu 9:00–12:30 p.m., Baskin auditorium 101

**Dates:** 07/29/14–08/28/14

### III Course Reading

#### Required Text:

Mankiw, N. Gregory, Macroeconomics, eighth edition, Worth Publishers (New York: 2012).

Earlier editions are fine. Lecture notes and problem sets are based on the most recent edition, but the differences are small.

#### Recommended:

The Economist, the Wall Street Journal, the Financial Times

## **IV Course Requirements**

Course requirements include the readings, two quizzes, four problem sets, two midterm exams, and a final exam. There will be no make-up tests for the exams or quizzes.

### **Grading**

Quizzes/Attendance 5 %

Problem sets 15%

Midterm exams 20% (each)

Final exam 40%

### **Quizzes/Attendance**

Class attendance is mandatory. It is also the best and fastest way to learn the material. We will give two quizzes during the course. There will be no advanced notice for the quizzes.

### **Problem Sets**

Hand in your problem sets at the beginning of the class for which they are due. There are 4 problem sets; I will drop the lowest score of the four. For example, if you skip a problem set, that score will be the one to be dropped. Late problem sets are not accepted for credit.

### **Midterms (Midterm dates are tentative!)**

There will be two midterms. Midterm (I) is on Thu, August 7 and Midterm (II) is on Tue, August 19. There are no make-up midterm exams.

### **Final Exam**

The final exam for this class is scheduled for Thursday, August 28, 9–12:30 PM. Do not take this class if you know in advance that you cannot attend the final exam.

## **V Disabilities Support Services**

If you qualify for classroom accommodations because of a disability, please submit your Accommodation Authorization Letter from the Disability Resource Center (DRC) to me as soon as possible, preferably within the first week of the Summer Session. Contact DRC by phone at 831-459-2089 or by email at [drc@ucsc.edu](mailto:drc@ucsc.edu) for more information.

## VI Teaching Assistants

	TA	Email	Office Hours
Grad	Zeinab Golmohammadian	zgolmoha@ucsc.edu	Wed., 11:00–1:00 p.m., E2, Room 403G
Grad	Wei Xu	wxu11@ucsc.edu	Mon., 10:00–12:00 p.m., E2, Room 403G
LSS <sup>1</sup>	TBA	TBA	TBA

**Note 1:** There will be no weekly sections, but we will have a review section before each of the exams. They will be held in Physical Science 114, 2–3:30 p.m., on the day before the exam.

## VII Course Outline and Readings

**Background Reading:** Mankiw, Chs. 1 ,2 (I will not lecture on this material but I will assume that you have read it.)

### Readings:

- Lecture 1 Introduction; Macroeconomics Data (CH 2) National Income (CH 3)
- Lecture 2 Balance of Payments & Open Economy (CH 6)
- Lecture 3 Economic Growth:  
Globalization and Poverty (CH 8) and  
Role of Technology and Economic Policy (CH 9)
- Lecture 4 Midterm I and Intro to Business Cycle (CH 10)
- Lecture 5 Monetary System and Inflation (CH 4, 5) & Unemployment (CH 7)
- Lecture 6 Building and Applying the IS-LM (CH 11, 12)
- Lecture 7 Midterm II and Aggregate supply (CH 14)
- Lecture 8 Modeling short run economy (AS/AD applications) (CH 15)
- Lecture 9 Stabilization policy (CH 18) and Fiscal policy issues (CH 19)
- Lecture 10 In Class Final Exam (Thursday, August 28 , 9-12.30 P)

**Extra Material** [time permitting]: Debt crisis, Austerity versus Stimulus (CH 19) Financial crisis and Monetary Policy (CH 20)

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<sup>1</sup>For Learning Support Services (LSS) tutor, sessions sign up at <https://eop.sa.ucsc.edu/OTSS/tutorsignup/>