

ECONOMICS 100B
INTERMEDIATE MACROECONOMICS
GERALD MCINTYRE, PH.D.

DEPARTMENT OF ECONOMICS
UNIV. OF CALIFORNIA – SANTA CRUZ
SUMMER SESSION 2 2017

Lecture: T&Th 1:00- 4:30pm, Phys. Sci. 110
Office: Engineering 2, Room 405G.
Office Hours: T&Th: 4:30 – 5:30pm & by appointment.
E-mail: gmcintyr@ucsc.edu

TAs: Ziyu He and Alan Ledesma;
Office Hours: TBA
Discussion Sections: W 11:30-12:30pm, Soc. Sci. 1, Rm 145;
W 3:20-4:25pm, Thimann Lab 101.

Course Objectives:

This course analyzes the aggregate economy in the short run, the long run and the very long run with special attention to macroeconomic policy. Topics covered include economic growth, money and inflation, unemployment, short-run macroeconomic fluctuations and the business cycle, monetary and fiscal stabilization policy, international macroeconomics, rules versus discretion in policy making, and the recent global economic and financial crisis.

Students must keep up with the readings given in the schedule below. All required readings must be done *prior* to the class meeting for which they are assigned. Students are expected to keep up with current macroeconomic events. To do this read a good news source such as *The Economist*, the *Wall Street Journal* or the *Financial Times*.

Prerequisites:

The prerequisites for the course are all of ECON 1, ECON 2, and 11B (or Applied Mathematics and Statistics 11B or Mathematics 22 or 23A). If you have not passed *all* of these courses you cannot take this class and will be dropped. To function in 100B, you must have a good understanding of differential calculus & graphical analysis; if not, this class will be challenging. Note: to pass the comprehensive requirement for the economics major a student must pass Econ 100B (and 100A and 113) at UCSC.

Required Materials:

Textbook: *Macroeconomics* by Mankiw (9th ed.), is available at the Baytree bookstore and other book vendors. Students may use other (cheaper) editions of the textbook but they are responsible for differences in pagination, problems and applications, assignments, chapter numbers and so on.

Course Grade: Your course grade will be computed according to the following percentages:

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|------------------------|---|
| Problem Sets | 15% (I will drop your lowest problem set score) |
| Quizzes | 5% |
| Mid-term Exam (Aug 17) | 25% or 35%, whichever is better for you |
| Final Exam (Aug 31) | 55% or 45%, whichever is better for you |
| Class participation | Priceless (up to 1/3 of a grade; eg. from B+ to A-) |

Your letter grade will be assigned according to the following scale:

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|---|---------------|
| A | 90-100 points |
| B | 80-89 points |
| C | 70-79 points |
| D | 60-69 points |
| F | < 60 points |

Other Important Dates:

Drop Deadline (refund) Monday, Aug 7; **Withdraw Deadline** (no refund): Friday, Aug 18

Canvas: All class announcements, problem sets, slides from lecture, and on so will be posted to Canvas. Students should check Canvas every day.

Problem Sets: a *summer* quarter course moves very quickly. Problem sets are due nearly every day. You need not type problem sets but be sure your writing is legible or your work will be marked wrong. Problem sets typically include questions from the *Problems and Applications* at the end of each chapter of the textbook. In addition, many days “Take-Home” questions will be due as well. Exams often include questions from problem sets and “Take-Home” questions.

Late Problem Sets, Papers and Missed Exams:

Late problem sets are not accepted. Make-up exams are not given. If you cannot take the exams, Thursday, Aug 17th & Thursday, August 31st do not take this course. Exceptions: a medical emergency documented by a physician or a family emergency. In these two cases, contact me *no later than 8:00am on the day of the exam*. Students who miss an exam with no medical excuse receive a zero and have little hope of passing the course. Problem sets are not accepted late unless there is a medical emergency documented by a physician or a family emergency.

Quizzes: There will be several short (5 minute) quizzes in lecture. Quizzes are not announced to encourage you to keep up with the material and to attend class.

Exams: the midterm exam is given in class on Thursday, Aug 17th. The final exam is cumulative and is scheduled given on the last day of class, Thursday, August 31st.

Summer Session Students with Disabilities

I am happy to help students with accommodations. If you qualify for classroom accommodations because of a disability, please give me your Accommodation Authorization Letter from the Disability Resource Center (DRC) within the first week of the Summer Session. Contact DRC by phone at 831-459-2089 or by email at drc@ucsc.edu for more information.

Academic Integrity: be sure that you are familiar with UCSC’s policies regarding academic honesty and integrity, as they will be strictly followed in this course.

News Resources: I read the following daily, all written by Ph.D. macroeconomists, to keep track of macroeconomic events; you should too if you want to keep track of what some of the smartest macroeconomists in the world think about the field and on-going macroeconomic events.

1. Tyler Cowen’s blog at <http://www.marginalrevolution.com/>
2. Greg Mankiw’s blog at <http://gregmankiw.blogspot.com/>
3. Mark Thoma’s blog at <http://economistsview.typepad.com/>
4. Econbrowser <http://www.econbrowser.com/>
5. Paul Krugman’s blog at <http://krugman.blogs.nytimes.com/>
6. The Economist magazine’s blog at <http://www.economist.com/blogs/freeexchange>
7. Money Illusion, an blog on monetary policy by Scott Sumner, <http://www.themoneyillusion.com/>
8. Worthwhile Canadian Initiative a blog by Nick Rowe and other policy-oriented economists at Canadian Universities, http://worthwhile.typepad.com/worthwhile_canadian_initi/

Study Tips: The following tips may help you do well in this and other courses

- Plan to spend *a minimum 10 hours a week* (not including class time) on this course. This is essential to ensure that you keep up with the material and get enough practice. Developing sound problem-solving skills is extremely important in this class, and it requires constant practice.
- Don't fall behind; keep up with the material on a *daily* basis.
- Read the assignments carefully. Keep pen and paper at your side to work out the various points being made (this is a good idea for any course you take). Redraw every graph to make sure you understand how the graph works and what it shows.
- Don't put off attending office hours until the day before the exam – it gets too crowded to work one-on-one at those times.
- Find other students to study with. You should do some of your studying in groups. You must do and submit your own work but students who study on their own then discuss the work in groups of no more than three understand the material better and feel more engaged with their classes.
- Get to know your professor. Studies have shown that students who have gotten to know their professor feel more connected to the college, understand the material better and get better grades.
- When you come to office hours ask specific questions; for instance, “Where did I go wrong in calculating the multiplier?” not “Why didn't I get a better grade?”
- Don't hide academic problems. Studies have shown that students who ask for help improve their grades and those who do not spiral downward – isolated, failing and unhappy.
- Consider how much time you are devoting to studying for this course. Studies have shown that students who do well in courses always mention the time they spent studying for the course in evaluations of their experience. Students who do poorly **never** mention time. That is, students who did poorly never considered the best way to use and allocate their time. Time should be an important part of how you think about this course. On a daily basis, you should be thinking about how much time you allocate to this course the quality of the time you spend studying, when you are going to study and so on.
- You cannot study for this or any college course like you did in high school – 25 minutes in study hall, half an hour before gym class, and 45 minutes after lunch. Studies have shown that grades and understanding improve when college students set aside an uninterrupted stretch of a few hours to study one subject.

TENTATIVE SCHEDULE and READING ASSIGNMENTS

All chapter readings are from Mankiw *Macroeconomics*, 9th edition. I reserve the right to make changes to this schedule. Outside readings and changes to this schedule will be announced in lecture and posted on the Canvas course website. The exam dates are firm; the material covered on the mid-term exam will be announced in lecture one week prior to the exam date.

Any changes will be announced in class and on the Canvas course webpage.

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| 1. Introduction, Basic Concepts | Chps. 1 & 2 (read on your own) |
| 2. Economic Growth | Chp. 3 section 3.2; Chps. 8 & 9; app. to chp. 9 |
| 3. The Macroeconomics of the Long run | Chp. 3 |
| 4. Money and Inflation | Chp. 4 & 5 |
| 5. Unemployment | Chp. 7 |
| 6. Short-run Aggregate Demand | Chps. 10, 11, 12 |

Mid-term Exam in class

Thursday Aug 17

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| 7. Aggregate Supply | Chp. 14 |
| 8. Stabilization Policy | Chp. 18 |
| 9. Open-Economy Macroeconomics | Handout posted to CONNECT course website. |
| 10. The Current Economic Crisis | Handout posted to CONNECT course website. |

Cumulative Final Exam: in class, Thursday, Aug 31