Spring 2006

ECN 101 Syllabus

ECONOMICS 101: INTERMEDIATE MACROECONOMIC THEORY

Administrative Details
Instructor: Professor K.D. Hoover
Lecture: 9:00-10:20 AM Tuesday, Thursday, 234 Wellman
Teaching Assistants: Chun Wang and Tom Phiromswad
Section (mandatory): Four sections. Attend your registered section. All sections meet in 115 Wellman on Tuesday or Thursday.
Office: 1116 Social Sciences and Humanities Building
Telephone: 752-2129
E-mail: kdhoover@ucdavis.edu
Office Hours: 10:45 AM-11:45 AM, Monday, Wednesday, Friday. I am available outside of office hours only by appointment. Arrange an appointment either after class or by telephone or e-mail.

Prerequisites
ECN 101 requires the completion of ECN 1A, 1B and Math 16A or 21A or their equivalents at other institutions with a grade of C- or better. In addition, Stats 13 or its equivalent is strongly recommended for this course. If you do not fulfill the prerequisites you should not be enrolled in this course.

Required Work and Grading
There are three required graded parts to the course. 1. Midterm examinations: one on Thursday 20 April and one on Thursday 18 May. 2. A final examination. (Examinations are based on the content of the lectures and the reading and may also assume knowledge based on homework.) 3. Homework exercises, including problems from the textbook and empirical exercises. Homework is worth 30% of the final grade. The midterms and final examination are together worth 70% of the final grade according to the following scheme: the final is comprehensive; if the midterms are better than the final, the midterms together count 35% and the final counts 35%; but if the final is better than the midterms, only the final grade counts 70%. Each part will be graded on an 125 point scale (explained below). The scores on the different parts will be normalized (common mean and standard deviation) and averaged. The final grade will be curved to approximate the typical departmental distribution (roughly 10-15% A’s; 30-35% B’s; 45-55% C’s and 5-10% D’s and F’s). The parts are described in more detail below.
Grades will be given on a 125-point scale:

125 = exceptional answer beyond the highest expectations (practically, better than the answer key)
100 = excellent: correct and effort well beyond the minimum
75 = acceptable: generally good with only minor errors
50 = poor: seriously attempted the work but with major errors
25 = extremely poor: less than acceptable effort and/or fatal errors
0 = no gradeable work

How these grades translate into letter grades depends on the curve as described above.

Policy on regrades: A student who disagrees with homework or midterm grades may submit his or her work for regrading by giving it to me with a written statement that refers to the answer key explaining what is wrong with grading. The whole homework or examination will then be regraded. All errors in grading – positive or negative will be corrected.

Academic Ethics
You have all formally acknowledged a commitment to abide by the honor code. I should make it clear at the outset that I expect strict adherence to the Code of Academic Conduct. You should read and understand it. If you have any questions about whether work you do for this class is in conformity with the code see me before turning such work in.

I encourage students to discuss economics and the class material together, to help each other in solving problems in coming to understand the material. Nevertheless, work submitted for a grade must ultimately be the work of the individual student – not copied from another student or from any other source. In particular, you may not copy any homework directly from another student’s work on paper or electronically. Your work is to be your own – not a group effort. Thus, while you may discuss the work in general or particular problems that you are having, in the end each student must complete the assignments individually. You may not copy any material used in this class in earlier quarters (be warned, that sort of copying is especially easy to detect and in any case data have changed since last year). In any work using outside sources quotations must be properly indicated (e.g., by quotation marks) and sources of information and ideas that are beyond the commonplace properly documented. My policy is to refer all violators of the Academic Code to Student Judicial Affairs for discipline. In a recent quarter I had the unfortunate experience of turning in seven students for cheating. So, Don’t Cheat.

Reading
Required Reading: There is no textbook that perfectly matches the way in which I intend to present the material for this class. I am, however, in the process of writing my own textbook (under contract to Addison, Wesley) tentatively entitled Applied Intermediate Macroeconomics. Fifteen draft chapters (fourteen chapters plus the Guide to Working
with Economic Data) can be downloaded from my website: http://www.econ.ucdavis.edu/faculty/kdhoover/lectures.html (follow the link to the course and then to “Draft Intermediate Macroeconomics Textbook,” then click on the Table of Contents link; each completed portion of the book has a link on the Table of Contents page). [Hint for printing: The text is double-spaced. It therefore takes up many pages. It is best if you print it two pages to a sheet. To do this from Adobe Acrobat, click on the Print option on the File menu, then click Properties, and set the number of pages per sheet to 2. NB: not all printers support this option.]

In addition, I strongly urge students to keep up with current economic events by reading some combination of: The Wall Street Journal, The Economist (London), The New York Times. I will circulate sign-up sheets for student subscriptions the Wall St. Journal; all three should be available in the library and on news-stands. I may, from time to time, distribute supplementary readings as well. Another good source of topical economic analysis are the popular publications of the Federal Reserve. Every one of the twelve Federal Reserve banks has a variety of free publications aimed at wider audiences. Some of these are available in the library. Two particularly useful ones to students are the Federal Reserve Bank of San Francisco Weekly Letter (available free; write to: Public Information Department, Federal Reserve Bank, Box 7702, San Francisco, CA 94120 or telephone (415) 974-2246; or downloadable from the World Wide Web at http://www.frbsf.org/econrsrch/wklyltr/index.wl.html) and The Federal Reserve Bank of Cleveland Economic Commentary (available free; write to: Research Department, Federal Reserve Bank, Cleveland, OH 44101; or downloadable on the Web at http://www.clev.frb.org/research/com97/index.htm). Both publications provide short, popular discussions of topical economic issues weekly. They are well worth your trouble the trouble of subscribing.

Part 1. Lectures and Examinations
The following is a list of topics to be covered in the course. They do not correspond to weeks – some topics will be covered quickly, others more slowly. Relevant chapters from Applied Intermediate Macroeconomics are indicated by the chapter number and title.

I. Macroeconomic Aggregates and the National Accounts
   Chapters 2-4, plus article by Carroll (see link to Supplemental Readings on the course website)
II. Trends and Cycles
   Chapter 5
IV. Long-term Economic Growth
   Chapters 6 and 7.
V. Labor and Unemployment
   Chapters 8 and 9.
VI. Financial Markets and Interest Rates
   Chapters 10 and 11.
VII. Introduction to Aggregate Supply and Demand
   Chapter 12.
VIII. Economic Dynamics: Cyclical Growth and Inflation
   Chapter 16.
IX. Macroeconomic Policy
   Chapters 17 and 18.

There will be two midterms (one on Thursday 20 April and one on Thursday 18 May) and a final examination (Tuesday 13 June 2006, 4:00-6:00 PM). The examinations will primarily cover the material in the lectures and assigned readings, but may also refer to things you might have been expected to learn from homeworks as well. The examination will consist of a choice of short essays and/or problems. Some of the problems will refer to current economics events (it is part of the course that you keep well informed). The time and date of the final examination are known in advance; they will not be rearranged. Students with an officially certified need for special accommodation should contact me early in the quarter so that I can make advanced arrangements.

Calculators are essential for the examinations. You may use simple calculators only. Calculators with massive memory, graphic capability, or the ability to communicate with other devices are not allowed. No cellphones may be used in class or examinations ever. If in doubt check with me well ahead of the examination. I will not supply calculators or other test-taking materials during the exam. Come prepared.

Bluebooks are required. (Engineering bluebooks, which are large and have graph paper pages, are best.).

Part 2. Homework
There will be weekly homeworks. Assignments will be posted on the course website. Sections are not optional but an integral part of this course. Homework will be turned in and returned during section only.

Part 3. Extra Credit Opportunity
You may download a comment form from the course web page on which you can evaluate a chapter of the draft textbook. Your final course score will be raised 2/3 percent for each comment form returned (a possible 10 percent boost to your score). Calculations will be made before the grades are curved.