# Economics 101  Macroeconomics  Spring 2005

**Instructor:** Professor Óscar Jordà  
1150 Social Sciences and Humanities Bldg.  
Phone: 752 7021  
e-mail: ojorda@ucdavis.edu  
Textbook URL: [http://bcs.worthpublishers.com/mankiw5/](http://bcs.worthpublishers.com/mankiw5/)

**Class Meets:**  
Tu-Th, 1:40 – 3:00 pm; KLEIBER 3

**Office Hours:**  
Mondays, 10-11:30 am; Wednesdays, 1:30 – 3:00 pm

<table>
<thead>
<tr>
<th>Teaching Assistants</th>
<th>General Information</th>
<th>Sections and Office Hours</th>
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</table>
| Zhiyuan Li  
Office: SSH 120  
Phone: 752-3481  
e-mail: zhyli@ucdavis.edu |  
Section: Wednesdays, 6:10 – 7pm & 7:10 – 8pm (Wellman 115)  
Office Hours: Tuesdays, 3:10 – 5pm |  |
| Piyachart (Tom) Phiromswad  
Office: SSH 123  
Phone: 752 3514  
e-mail: phiromswad@ucdavis.edu |  
Section: Tuesdays, 6:10 – 7pm & 7:10 – 8pm (SOCSCI 90)  
Office Hours: Fridays, 3 – 5pm |  |
| Huiran Pan  
Office: SSH 115  
Phone: 752 8074  
e-mail: hrpan@ucdavis.edu |  
Section: Thursdays, 6:10 – 7pm & 7:10 – 8pm (STORER 1342)  
Office Hours: Tuesdays, 3:10 – 5pm |  |

"No Country, however rich, can afford the waste of its human resources. Demoralization caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order." Franklin Delano Roosevelt, Second Fireside Chat, Washington, D.C. 9/30/34

**Course Goals:** Economic Growth, the Government Debt, the Budget Deficit, Interest Rates, Inflation, Unemployment, Exchange Rates, Fiscal and Monetary Policy, and many other macroeconomic variables interact in ways that ultimately affect the welfare of entire countries. This course provides a modern view of macroeconomic analysis and macroeconomic policy – it studies the engines of growth and it studies how fiscal and monetary policy can foster economic stability around a steady growth path.

**Pre-requisites:** 1A, 1B and Mathematics 16A-B or 21A-B or their equivalents with a grade of C- or better in each course. Basic calculus and algebra will be used throughout the course.

Additional Resources: The Federal Reserve Bank of St. Louis maintains a very useful website of U.S. macroeconomic data. A nice feature is that by registering, you can create your own lists of variables and download them in an efficient manner. I recommend that you do this since part of the homework will consist in analyzing macroeconomic data with EXCEL. The relevant web-site is: http://research.stlouisfed.org/fred2/
In addition, regularly check the class web page for additional materials, useful links, and announcements.

Recommended Reading: The weekly magazine *The Economist* contains the highest quality, economic commentary of U.S. and international events (www.economist.com). Many of the articles can be read for free on their website but it is relatively inexpensive to subscribe to as a student and well worth it. *The Wall Street Journal* (www.wsj.com) and *The Financial Times* (www.ft.com) are the best two daily business newspapers. On a daily basis, *The New York Times* (www.nytimes.com) is among the best daily newspapers and the business section is quite good. You can access the entire contents of the paper on the web for free, a big plus.

Complementary Literature: Other intermediate macro textbooks are,


Course Grading:

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<tr>
<th>Component</th>
<th>Percentage</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Homework</td>
<td>30%</td>
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<tr>
<td>Midterms (2)</td>
<td>35%</td>
<td>Thursday, April 21, Thursday, May 19</td>
</tr>
<tr>
<td>Final (Comprehensive)</td>
<td>35%</td>
<td>Wednesday, June 15, 4:00 – 6:00pm</td>
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Please contact me as soon as possible if you will need special arrangements for the midterms and the final. All requests must be made by April 12 (no exceptions). Make-up exams are not permitted. Consult the web schedule for more details on homework due dates.

Regrade Policy:

Any requests must be submitted to me and in writing no later than one week after each exam.

Important Dates:

- April 7: Problem Set 1 due.
- April 19: Problem Set 2 due.
- April 21: MIDTERM 1
- May 5: Problem Set 3 due.
- May 17: Problem Set 4 due.
- May 19: MIDTERM 2
• **June 2:** Problem Set 5 due.
• **June 15:** FINAL EXAM, 4:00 – 6:00pm
Course Outline:

- **TOPIC I:** MACROECONOMIC DATA (Ch. 1)
- **TOPIC II:** NATIONAL INCOME ACCOUNTING (Ch. 2-3)
- **TOPIC III:** PRODUCTION, DISTRIBUTION AND ALLOCATION (Ch. 3)
- **TOPIC IV:** ECONOMIC GROWTH (Ch. 7-8)
- **TOPIC V:** UNEMPLOYMENT (Ch. 6)
- **TOPIC VI:** MONEY AND INFLATION (Ch. 4)
- **TOPIC VIII:** ECONOMIC FLUCTUATIONS: THE IS-LM MODEL (Ch. 9-11)
- **TOPIC VIII:** AGGREGATE SUPPLY (Ch. 13)
- **TOPIC IX:** POLICY DEBATE (Ch. 14)
- **TOPIC X:** CONSUMPTION (Ch. 16)
- **TOPIC XI:** GOVERNMENT DEBT (Ch. 15)