

ECN 137: Macroeconomic Policy

Summer Session II 2015

Instructor: Jae-Wook Jung (jwjung@ucdavis.edu)

Lecture: MTW 2:10-3:50 PM, Wellman 230

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Section 1: R 2:10-3:50 PM, Section 2: R 4:10-5:50 PM, Physics 140

- Pre-requisite Courses: ECN100, ECN101, MAT16A-16B or MAT21A-21B (from ECN101), STAT13. This course is intended for students in upper-division Economics major. This course is not recommended for students who have not finished pre-requisite courses. It will be assumed that everyone understands the following:
 - interest rate targeting monetary policy, the IS-LM framework, and the concept of Rational Expectations (from ECN101)
 - basic calculus including partial differentiation and logarithm (from MAT16A-16B or MAT21A-21B)
 - basic expectation and probability theory (from STAT13)
- Course Objectives: Through this course, you will be able to
 - (a) understand a basic theoretical mechanism of macroeconomic policies and their impacts;
 - (b) evaluate current/historical policies and assess their consequences based on the mechanism;
 - (c) create or revise current/historical policies based on the evaluation.
- This course is intended for students who want to satisfy Section “Impact of Government Policies” in “Student Learning Outcomes in Department of Economics” (<http://economics.ucdavis.edu/undergrad-program/advising-1/courses/student-outcomes>), as an extension of Section “Analytical Reasoning.”
- Course Materials:
 - (a) **Course website:** <http://tinyurl.com/ecn137> (will be accessible from August 1)
We will be using Canvas instead of Smartsite for this course. All course information and assignments will be organized by week under ‘Modules’. Please make sure to check the modules list to see how to prepare before coming to class. We will also use ‘Discussions’ feature in Canvas for pre-class assignment. Pre-class assignment for each week will be linked under in the module for the week.
 - (b) **No textbook is required** but “*What Have We Learned?: Macroeconomic Policy after the Crisis*”, by George Akerlof (Nobel Laureate in Economics, 2001), Olivier Blanchard (Chief Economist at IMF), David Romer, and Joseph Stiglitz (Nobel Laureate in Economics, 2001); The MIT Press (ISBN: 9780262027342) will be a good suggested reading for you.

(c) Lecture note and reading assignments will be provided in the course website.

- Expectations:

- This course is designed based on principles of “Learner-Centered Teaching,” which means that you are encouraged to take a little bit different role in the class from what you had in traditional courses. You will learn more about the course material when you are engaged in class activities rather than sitting in and just listening lectures. Also the class activities will be great chances for you to practice and learn what you actually needs in the job market such as leading and participating in a discussion effectively, collaborating on tasks with fellows, and presenting materials to other people clearly.

- Instructor:

1. Instructor will give you one or two lectures in each week but the other class(es) in the week will be used for your “activities” such as group presentation or discussion, with Instructor as your activity facilitator.
2. Everyone contributes on the course contents. That is, every information raised in class can be asked in assignments and exams, not only what is covered in lecture slides.

- TA:

1. TA will help you in problem-solving type questions for your post-class assignments and exams.
2. Since what TA teaches is more than supplement to the lecture, you are highly recommended to attend your TA sections.

- Students:

1. You are highly encouraged to do four things for you to earn the most benefit from this course:
 - * pre-class assignment with reading comprehensive questions and discussions
 - * class participation including attendance (on several unannounced days, up to five, attendance will be taken. Those present will receive 1 % bonus credit.) and online discussion.
 - * group activities - presentations, role plays, games, and etc.
 - * post-class assignment with analytical problems
2. Any suggestion or question is always welcomed in any point of classes.
3. You will learn more when you are engaged in class more. Instructor and TA will do own best for you to participate in class activity and to enjoy it. Also any information handled in class activities such as discussion can be asked in exams. If you miss or unprepare any class activity, you could lose this point.
4. Because this class will represent a diversity of individual beliefs, backgrounds, and experiences, every student of this class must show respect for every other member of this class.

- Grading and Assessments:
 - **All assignments are optional except exams (i.e., if you succeed in exams (e.g., over 70/100), you can pass this course without doing assignments) but they worth extra credit up to 30% of total credit.** However, you are strongly recommended to do the assignments that will be given for at least the first two week. More important role of assignments for you to assess whether you understand the class material well or not. You learn something only when you are doing something. You will have more benefits when you are doing the assignments and participating in class not because of extra credit but also because of understanding and preparing the material better.
 - No late submission is accepted.
 - Exams
 - * **Three exams: Midterm 1 (30%, Aug. 12 in class), Midterm 2 (30%, Aug. 26 in class), Final (40%, comprehensive, Sept. 9 in class)**
 - * Each exams have two type of questions: analytical questions (similar to post-class assignments) and essay questions
 - * Make-up exams: **No make-up exams will be scheduled except for final.** If you are not able to take final in the scheduled place and time, you should contact Instructor with your reason at least 10 days before the final (i.e., by August 31). If you miss any of midterm exams due to any medical or personal emergency, you need to turn in the related documents as well as your own review work (at least three pages free-writing including problem solving) for the test that you miss with suggested answer key. It will provide the replacement for your missed exam from your scores from other exams proportionally. It will not be applicable for just missing exams without any emergent reasons such as medical or family issues.
 - * **Exam follow-up (up to 15%):** Since two midterms are NOT comprehensive, it may be good to provide a chance to review the exam material after grading. On the following Monday in class after Midterm 1 and 2, the graded exams will be returned and suggested answer keys will be provided with similar practice questions to the exam questions. If you turn in your answer for the practice questions by TA section on Thursday of the week, you can get extra credit up to half of points that you miss from the test. For instance, if you get 70/100 in the exam and turn in the exam follow-up, you can get extra credit up to $15 = (100 - 70)/2$.
 - * The University's Honor Code will be very strictly applied in assignment and exam in this course. **You can work together on assignments but you must write up your own answers as well as the names of all your study group members.**
 - * Grading Curves:
 - **Only final letter grade are curved. No prior tentative guideline will be provided.**

- According to Departmental Grading Policy, the overall GPA of a 2.4 expected but for upper-division classes, it can be 2.7.
- Department Suggests: A: 20% B: 30% C: 30% D: 10% F: 10% \implies overall GPA of a 2.4
- Pass/Non-pass (grade C or better) can be also assigned in criterion-base with Instructor's discretion.

– Assignments:

* All assignments will be posted on the course website with the information of due date.

(a) **Pre-class reading assignment:** Every Friday, reading assignments for next week will be provided with self-questions. One of self-questions asks you find similar example to the case in reading assignment from other news articles. You can turn in your answers for self-questions as an optional assignment (It worths extra credit of up to $2.5\% \times 6 \text{ weeks} = 15\%$). You need to post your work under “Discussion” in Canvas by 6 p.m. Sunday of the week.

(b) **Group projects** (It worths extra credit of up to 15%): Basically, each volunteer group research different views in economics about each topic in macroeconomic policies. The detail information will be provided later. Volunteers should sign up in the first week and participate in the following three steps, pre-research, presentation in class, and reflection paper. You should stick to what group you participate in. Dropping before the presentation from the group work needs Instructor's permission and can be penalized up to 5% credit. All group project activities should prepare using Collaborations feature (supporting Google Docs) in Canvas, so that Instructor and the TA can grade based on your participations. Group projects are consist of three following parts.

- Pre-research (in Collaborations)
- Presentation (Role-Play) in class
- Reflection paper (one to two pages, should be emailed Instructor within one week after the presentation)

(c) **Post-class assignment** (It worths extra credit of up to $5\% \times 3 = 15\%$): Every other Wednesdays after class, post-class assignments will be provided. They include problem-solving type questions. TA will give a guidance for the assignment during TA sections on Thursdays of the week.

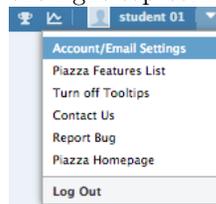
• Contacts:

- (a) Office Hours: MTW 1 PM - 1:50 PM at 139 SSH
- (b) TA Office Hours: M 10 AM - noon at 117 SSH
- (c) Online discussion forum / Email

– We will also be using an online tool called Piazza for all course communication. Piazza is integrated into Canvas, and you will see it on left hand site of

the our Canvas site. Piazza is a communication tool designed around the idea that anyone can ask and answer questions. This way will be very useful for Instructor and TA to communicate with you especially sharing Q&A efficiently. It is highly catered to getting you help fast and efficiently from classmates, too. Any questions or comments you have about the course, whether related to the weekly topic or assignments/course logistics, should be posted to Piazza. Instructor will not respond to questions about the course via email. (Of course, feel free to email Instructor or TA directly for any personal questions or anything unrelated to the course.) If a classmate posts a question that you can answer, please do so! There is no better way to verify your understanding of the material than explaining it to someone else. We will all benefit from asking and answering each other's questions. Instructor and TA will also answer questions here rather than via email, so that the answer will be visible to everyone.

- Before writing your questions, please check if your question has already been made by someone else with using tags. If so, you can save yourself the time of writing the same question (and Instructor and TA can also save the time of answering twice). If you still have doubts, feel free to ask for further explanation in the follow-up.
- One drawback of this forum might be to have frequent email notifications. By default setting, you may receive an email per 4 hours for new questions or notes. Please change your "account/email setting" which will be shown on the right top corner of your screen, for your preference.



- (d) The forums are regularly checked and responded at least every 12 hours in weekdays by Instructor and TA. No response may be expected during weekend.

- Course Schedule

- A Day-by-Day Calendar is available on the course website.
- Week 1: Review (Math, Stat, and ECN101), (Conventional) Fiscal policy
- Week 2: (Conventional) Fiscal policy (continue) and Time inconsistency problem
- Midterm 1 (August 12, in class)
- No section on August 13
- Week 3 - 4: Conventional monetary policy
- Midterm 2 (August 26, in class)
- No section on August 27

- Week 5 - 6: Macro-prudential policy and challenge in conventional policies after the recent crisis
 - No class on September 7 observing Labor Day
 - Final (comprehensive, September 9, in class)
 - No section on September 10
- The Fine Print: This syllabus and course schedule may change throughout the session depending on your learning needs and Instructor's judgment.