

LONG RUN MACROECONOMICS

ECON 110A- SP24

Tue-Thu 5pm-6:20pm, room: MOS 0204 - 75

University of California, San Diego

Teaching Team

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|-------------------|---------------------------|--|
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SYLLABUS

Note: This syllabus covers all the important organizational details. I consider the Syllabus my contract with you and I commit to uphold it as written. However, events outside our control can change the conditions under which the class is taking place. While I do not anticipate doing so, situations may arise that require adjustments of the class rules to ensure that the quality of your learning is preserved, so please consider the information contained in the Syllabus as subject to revision. I commit to keep you promptly informed and included in the decision process.

Why is the typical American today 10 times richer than the typical American a century ago? Why are some countries much richer than others? Why do some countries grow fast and catch up with the richest countries while others remain stagnant? Can standards of living keep increasing indefinitely? These are arguably among the most important questions studied in macroeconomics. In Econ 110A we will learn how macroeconomists' approach to such questions has evolved over time, what we have come to learn, and what we still only partially understand about the macroeconomy in the long-run. In the process, we will also solidify our knowledge of how to measure important macroeconomic objects such as GDP, Inflation, and Unemployment, which you have already learned in Principles of Macroeconomics (Econ 3), and we will learn how to solve and use formal macroeconomic equilibrium models.

This course was largely based on the the material originally prepared by the Vice Chair of Undergraduate Education, Professor Giacomo Rondina, who is the Supervising Instructor of Econ 110.

LEARNING OBJECTIVES

The learning objectives in Econ 110A in terms of the core competencies to acquire in the Economics major are:

- 1. Quantitative Reasoning:** set up and solve optimization models; build macroeconomic models; apply macroeconomic models to understand current issues.
- 2. Critical Thinking:** explain economic models as deliberate simplifications of reality that economists create to think through complex, nondeterministic behaviors; identify the assumptions and limitations of each model and their potential impacts; select and connect economic models to real economic conditions; think creatively and combine or synthesize existing economic ideas.
- 3. Written Communication:** write cogent economic arguments.

The learning objectives for the Economics program can be consulted [here](#) and [here](#).

COURSE MATERIAL, ATTENDANCE AND PRACTICE PROBLEMS

The textbook for the class is “Macroeconomics,” 5th Edition, by Charles I. Jones, published by Norton. We will cover chapters 1-8 and 16-19 from Jones’ textbook. Lectures will focus on the more difficult material but you will be responsible for all the material in each chapter. It is strongly recommended to read the required chapters before each lecture. You can find the schedule of lectures [below](#). During lecture I will present examples/remarks/extensions that do not appear in the textbook but that will be part of the examination material. Following lectures is an individual student responsibility, everything I say during lecture is fair game for the exams, unless noted otherwise. Discussion sessions on material presented during lectures and solutions to the problem sets will be held by our TA’s during the session. We may also have a discussion board for the class on Discord, where you can ask questions, submit comments and also help in providing answers on the material covered in class.

LOGISTICS AND IMPORTANT DATES

We meet **in person** two times a week on Tuesdays and Thursdays 5:00p-6:20p at MOS 0204. Video podcast of the lectures will be recorded and recordings will be posted on Canvas. Our TA’s will hold discussion sessions **in person** every Wednesday 4:00p-4:50p at PETER 104. Office hours times and location will be communicated in Week 1.

There will be one in-class midterm exam, and one final exam.

All exams will take place in person. Please mark your calendar as follows:

- **Midterm, May 2st, 5:00 pm to 6:20 pm;**
- **Final, June 13th, TBD pm;**

GRADING

There are 550 points up for grab in this course. Your final grade will be determined according to the following points

| | |
|--------------|---------|
| Problem Sets | 100 pts |
| Midterm | 200 pts |
| Final Exam | 250 pts |

LEARNING ASSESSMENT

Exams. The goal of the exams are to assess your learning of the material in the class, and ultimately your acquisition of the learning objectives specific to Econ 110A. Exams will be a combination of multiple-choice questions, and short-answer questions. Questions will aim to assess your learning at three levels: basic, intermediate, and advanced. To pass the class, you will need to show mastering of the basic questions. To receive an excellent grade in the class (A- or higher) you will need to show mastering of basic and intermediate questions, as well as some of the advanced.

Problem sets. There will be five problem sets that you are expected to submit during this five-week course. The problem sets will be graded to completion and not to accuracy. They are meant to be an incentive for you to go over the material and learn it for yourself. Each of the problem sets is worth 25 points. While you are encouraged to complete every problem set, this means that you will not be penalized if you miss one of the problem sets.

EXAMS POLICIES

No make-up exams will be given in this class. You must take the final exam in order to receive a grade in this course. The date is written above, be sure to mark your calendar. If you miss a midterm exam without a university accepted excuse, you will receive a grade of zero (0) for the exam. If you miss a midterm with a university accepted excuse, the weight of the other exams will be increased accordingly. Excuses for missed exams must be pre-approved by the Instructor (except when this is not possible in an emergency situation). A student who misses an exam due to physical illness will be required to provide documentation from a health care professional indicating why the student was physically unable to take the exam. All documentation must be provided to the Instructor within two working days of the end of the emergency. Failure to comply with any of the above in the specified manner will result in a grade of zero (0) for the exam.

ACADEMIC INTEGRITY

Students are expected to do their own work, as outlined in the UCSD policy on Academic Integrity. All students of UC San Diego are responsible for knowing and adhering to this institution's policy regarding academic integrity. Cheating, plagiarism, fabrication, lying, bribery, threatening behavior

and assistance to acts of academic dishonesty are examples of behaviors that violate this policy. Ordinarily, a student engaged in any act of academic dishonesty will receive a failing grade for the course. In addition, all incidents of academic misconduct shall be reported to the Academic Integrity Office. Depending on its findings, students who are found to be in violation of the academic integrity policy will be subject to non-academic sanctions, including but not limited to university probation, suspension, or expulsion. The Academic Integrity Office can be contacted by email at aio@ucsd.edu or by telephone at 858-822-2163. Additional information regarding the University Academic Integrity policy is available at <https://academicintegrity.ucsd.edu/>.

UNIVERSITY POLICIES AND RESOURCES

Conduct Code. To foster the best possible working and learning environment, UC San Diego strives to maintain a climate of fairness, cooperation, and professionalism. UC San Diego's Principles of Community illustrate the expectations of all members of our community. Consistent with such principles, the Student Conduct Code underscores the pride and the values that define UCSD's community, while providing students with a framework to guide their actions and behaviors. I recommend reviewing the Student Conduct Code to make sure you are familiar with the behavior that is expected from you in class and on campus in general.

Disability Accommodations. Campus policy regarding disabilities requires that faculty adhere to the recommendations of the Office for Students with Disabilities (OSD). Any student eligible for and needing academic adjustments or accommodations because of disability should submit to me a letter from OSD describing appropriate adjustments or accommodations and should arrange to meet with me as soon as possible so that arrangements can be made in a timely manner. University policies regarding disabilities are available at <http://disabilities.ucsd.edu/students/>. Appointments with OSD (phone or in-person) can be made by calling 858.534.4382 or by email at osd@ucsd.edu. More information can also be found here.

Religious Observance. Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly accommodate all students who, because of religious obligations, have conflicts with scheduled examinations, assignments or required attendance. See full details of policies on examinations here. If you have scheduling conflict covered by this policy, please let me know as soon as possible so that we can reschedule the relevant assignment/examination.

Harassment Policy. The University Policy on Discrimination and Harassment applies to all students, staff and faculty. Any student, staff member or faculty member who believes (s)he has been the subject of discrimination or harassment based on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation, or political philosophy, should contact the Office for the Prevention of Harassment and Discrimination (OPHD) at (858) 534-8298, ophd@ucsd.edu, or reportbias.ucsd.edu.

Data Privacy. The University adheres to the standards for student privacy rights and requirements as stipulated in the Federal Rights and Privacy Act (FERPA) of 1974, see <http://ucsd.edu/catalog/front/ferpa.html>.

Counseling. Managing the many challenges of being a college student can be very stressful. Always remember that talking to somebody that is professionally trained to help is just an email, or short walk, away: <https://caps.ucsd.edu/>.

ECON 110A - TENTATIVE CLASS SCHEDULE - SUMMER SESSION II 2023

| Date | Lecture | Topic | Book Chapter |
|--------------------|------------|--|--------------------|
| Tue, Apr 02 | Lecture 1 | Intro & The Neoclassical Model of Consumption | 16.2 |
| Thu, Apr 04 | Lecture 2 | Measuring the Economy | 2.1-2.4 |
| Tue, Apr 09 | Lecture 3 | Long-Run Growth: Facts | 3.1-3.7 |
| Thu, Apr 11 | Lecture 4 | A Model of Production | 3.4-3.7 |
| Tue, Apr 16 | Lecture 5 | A Model of Production | 4.1-4.5 |
| Thu, Apr 18 | Lecture 6 | The Solow Growth Model: Analysis | 5.1-5.4 |
| Tue, Apr 23 | Lecture 7 | The Solow Growth Model: Experiments | 5.5-5.7 |
| Thu, Apr 25 | Lecture 8 | How do Firms Make Investment Decisions? | 17.2 |
| Tue, Apr 30 | Lecture 9 | Review Ahead of Midterm | — |
| Thu, May 2 | — | Midterm, 5p-5:20 | — |
| Tue, May 7 | Lecture 10 | The Romer Model | 6.3-6.5 |
| Thu, May 9 | Lecture 11 | Solow + Romer | 6.4, 6.9 |
| Tue, May 14 | Lecture 12 | Labor Measurement | 7.3-7.5 |
| Thu, May 16 | Lecture 13 | Human Capital, Returns to Education, PDV | 7.6-7.7 |
| Tue, May 21 | Lecture 14 | Human Capital: The Lucas Model and Growth Accounting | 7.6-7.7 |
| Thu, May 23 | Lecture 15 | Money and Prices | 8.1-8.3 |
| Tue, May 28 | Lecture 16 | Inflation, The Marginal Propensity to Consume | 8.4-8.6, 16.3-16.4 |
| Thu, May 30 | Lecture 17 | Trade (time permitting) | 19 |
| Tue, Jun 4 | Lecture 18 | Intertemporal trade (time permitting) | 19 |
| Tue, Jun 6 | Lecture 19 | Review Ahead of Final | — |
| Thu, Jun 13 | — | Final | — |