Economics 102  
Macroeconomic Theory  
UCLA Summer Session C 2016

Syllabus

Lectures:  
Mon 08:30-10:35, Wed 08:30-10:35  
Bunche 2209A

Course Description  
The aim of this course is to understand the evolution of aggregate variables over time. We will study the determinants of consumption, savings, investment, interest rates, inflation, labor and wages. We will also study the effects of monetary and fiscal policies and the conditions under which such interventions are optimal. We will rely on two-period micro-founded models to underscore the intertemporal tradeoffs, while being able to derive analytical solutions from the optimizing behavior of economic agents. We will also make heavy use of data to test the predictions of our models.

Prerequisites  
Students should be comfortable with concepts learned during ECON 11. In particular, utility and production functions, and problems of the form:

$$\max_{x,y} U(x, y) \quad \text{subject to } p_x x + p_y y = l$$

Textbooks  
There are three optional textbooks:


The three textbooks cover the topics of the course similarly. WI is the most up-to-date, full of resources and easy to follow. DLS provides an excellent mathematical treatment of the topics of the first two weeks. BA is listed to give you a last resource in case you do not find the previous two helpful.

If you feel you need a review of the mathematical tools used in this course:

**Grades**

The course grade will be based on the following scheme:

- Midterm Exam: August 24th  
  35 points
- Final Exam: September 7th  
  60 points

In addition, there will be two Optional Assignments for extra credit, worth 9 points each. Optional Assignments will be due in class, at the beginning of the lecture on the date specified. Late assignments will NOT be accepted. When turning in assignments, students should include their names and student ID numbers.

Furthermore, there will be Problem Sets every week. These will be optional, and will not be graded. However, one of the exercises in the midterm and two in the final exam will be the same as in the Problem Sets.

**Where to Direct Questions**

<table>
<thead>
<tr>
<th>Type of Questions</th>
<th>Whom to Contact</th>
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<tbody>
<tr>
<td>Administrative (course enrollment, advice)</td>
<td><a href="mailto:ug-counselor@econ.ucla.edu">ug-counselor@econ.ucla.edu</a></td>
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<tr>
<td>Problem Sets</td>
<td>Office Hours</td>
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<tr>
<td>Course Material</td>
<td>Post your question on the Discussion Forum</td>
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**Course Enforced Policies**

- There are no make-up exams. Exam dates are indicated on the syllabus. Therefore, if you cannot take an exam on the specified date, you are advised to take the course in a different section.
- You need to bring a valid form of picture ID on scheduled days of exams. You will not be allowed to take the exam without one.
- There are no make-up homework assignments. Late homework assignments will not be accepted under any circumstances. The due dates will be posted on the course website. Therefore, please make sure to keep track of the deadlines for these assignments.
- The use of electronic devices such as cellphones, tablets, and devices that allow you to communicate with others, is strictly banned during exams. You will be reported for cheating if caught using them during exams.
- There are no extra credit assignments available other than the Optional Assignments.
- All grades are final when filed by the instructor on the Final Grade Report.

**Academic Dishonesty**

Any cases of academic dishonesty will be reported to the Office of the Dean of Students. For more details, please refer to the Office of the Dean of Students website at http://www.studentgroups.ucla.edu/dos/

**Disabled Students and the Office of Student Disabilities (OSD)**

Any student with a preexisting illness or condition who requests special arrangements must (a) qualify under OSD rules for such special arrangements and (b) must take the exam with OSD. Any
such arrangements with OSD must be made the first week of classes. The instructor must be informed of any such arrangement in the first week of classes. For additional information and the qualification conditions of the Office of Student Disabilities (OSD), please visit their website at http://www.osd.ucla.edu/. All other students must take the exam at the scheduled time under the same time constraints. It is the responsibility of all students who request special arrangements with OSD to be familiar with all of their rules as well as the rules of this class.

**Tentative Course Schedule**

<table>
<thead>
<tr>
<th>Week</th>
<th>Lecture Topics</th>
<th>Chapters in WI</th>
<th>Chapters in DLS</th>
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<tbody>
<tr>
<td>1</td>
<td>National Accounts</td>
<td>2, 3</td>
<td>1</td>
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<tr>
<td></td>
<td>The Real Interest Rate</td>
<td>9</td>
<td>3.1-3.2</td>
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<tr>
<td>2</td>
<td>The Labor Market</td>
<td>4</td>
<td>2, 6</td>
</tr>
<tr>
<td>3</td>
<td>Fiscal Policy</td>
<td>5</td>
<td>-</td>
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<tr>
<td></td>
<td>Capital Accumulation</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Money and Inflation</td>
<td>12</td>
<td>-</td>
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<tr>
<td></td>
<td><em>Midterm Exam (Aug 24th)</em></td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>Sticky Prices and Monetary Policy</td>
<td>14</td>
<td>-</td>
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<tr>
<td>6</td>
<td><em>Holiday (Sep 5th)</em></td>
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<td><em>Final Exam (Sep 7th)</em></td>
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