Instructor:

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Course Objective:

Business managers need to understand the structure and behavior of the domestic and global economies in order to make sound business decisions. The same is true in our personal lives. Our job prospects, portfolio returns, standards of living and retirement security depend on current and future economic conditions.

The objective of this course is to help you understand the economic environment in which we work and live.

• We will focus on the most timely and topical issues of the day.

• We will pay particular attention to the impact of globalization on labor, product and capital markets.

• We will also focus on the impact governments have on economic conditions, through their central banks, their taxing and spending decisions, and their trade, regulatory, labor and other public policies.

• We will become familiar with a variety of economic data and data sources so that you will know the “facts” about economic performance as well as the theory.

Class Meets:

Saturdays beginning June 23 and ending on August 25 from 9am until noon. Final exam will be administered on September 1.

Textbook:

Additional Readings:

Additional, mostly short, readings from publications like The New York Times and The Wall Street Journal, will be assigned throughout the course. They are not listed here because my goal for these readings is bring you the most up-to-the-minute materials on current issues relevant to course topics. Whenever possible, I will either include links to these readings or provide other means for accessing them electronically. Online subscriptions to The Wall Street Journal, http://www.wsj.com, and The New York Times, http://nytimes.com/, are recommended.

Course Topics:

1. Introduction to Macroeconomic Data and Analysis – Thinking about National Income, Employment, Saving, Wealth, Inflation, Interest Rates

2. Labor Markets – Employment, Unemployment, Wages and Productivity, Income Inequality, Impact of Immigration

3. Consumption, Saving, Investment, Household Wealth, the Price of Housing


5. The Wealth of Nations – Sources of Economic Growth, the Role of Markets, the Role of Governments, Cross-Country Differences in Standards of Living

6. Asset Markets and Interest Rates -- Money Supply, Money Demand and the Influence of Central Banks

7. Understanding Business Cycles and Inflation Fluctuations, including the Great Depression of the 1930s and the Great Inflation of the 1970s

8. Stabilization Policy -- Managing the National Economy, Supply-Side and Demand-Side Influences on the Economy


**Grading Policy and Exam Dates:**

Your grade for this course will depend on your exam performance and the quality *(not the quantity!)* of your class participation as follows:

- A 75 minute midterm exam will be given on July 21. This exam is optional, but you are strongly encouraged to take it. The midterm will count for one third of your grade if and only if you do better on it than you do on the final exam.

- A two hour final exam will be given on September 1. The exam will be comprehensive, but it will overweight the material after the midterm exam. If you do not take the midterm exam, or if you do better on the final exam than you do on the midterm, it will count for 100% of your grade. Otherwise, it will count for two thirds of your grade.

- For students who are on the borderline between letter grades, I will take into account quality of class participation in making a final letter grade determination.

**Office Hours and Other Individual Communications:**

I will be available after class for individual meetings and discussions. If you are unable to see me at that time, please contact me by email. If needed, we can arrange a time for a telephone conversation during the week.

**Final Thoughts:**

Note that this 10 week course covers a lot of ground in a short period of time. I will highlight the most important ideas for you to master for the exams, and provide study questions each week.

Let’s work together to ensure that the course is a worthwhile learning experience, interesting and fun! I look forward to seeing you at every class.

Sincerely,

William Haraf