

Undergraduate Economics Newsletter

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An Economic Newsletter by Undergrads for Undergrads



The Undergraduate Economics Department Newsletter is back for our second issue! Last quarter, you read about the William Sharpe Fellows Program, Professor McDevitt's summer study abroad class in China, and the new lab components for numerous economics courses. This quarter, we welcome the arrival of three new professors: Pablo Fajgelbaum, Maximilian Kasey and Zhipeng Liao. Additionally we present the economics exchange program at University College London and spotlight a career in investment banking. We hope you enjoy the second installment of this newsletter. If you have any suggestions or comments, please feel free to email us at the address below.

roundtable@econ.ucla.edu

Did you know?

UCLA offers free online excel tutorials.

Check it out:

www.learnit.ucla.edu/

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Meet Your New Professors



Professor Maximilian Kasy

Professor Maximilian Kasy is a new member of the UCLA department of economics faculty. Professor Kasy, originally from Vienna, studied both economics and mathematics at the University of Vienna. He then moved to California and received his masters in statistics and a PhD in economics from UC Berkeley.

Professor Kasy developed a love for the international environment, self-determination, and open discussion within the academic world. His desire to find out “what can we know” sparked his desire to become a professor and inspired his curiosity and research within the field of economics. His research focuses on the identification and parameters of interest in microeconometrics and the analysis of economic inequality. He has worked on issues such as long-term unemployment, urban segregation, redistributive taxation, and social mobility. He recently joined the UCLA faculty because of the great colleagues and has grown to enjoy everything Los Angeles has to offer, especially the music.

When asked what advice he has for undergraduate students, Professor Kasy replied that there is a danger of focusing too much on grades and career goals. He recognizes the high-pressure environment, but emphasizes the importance of staying conscious of the social and political context of the subjects studied, throughout the undergraduate experience.

Professor Kasy is currently teaching Econ 41 in his first quarter at UCLA. He is also offering an honors section, which will go into more depth of the course concepts using the book *Identification Problems in the Social Sciences* by Charles F. Manski.



Professor Pablo Fajgelbaum

Professor Pablo Fajgelbaum studied economics as an undergrad in Argentina, where he first discovered his passion for macroeconomics and international economics. Professor Fajgelbaum’s interest in international economics stemmed from his first-hand experiences as a youth in the 90’s when Argentina’s economy first opened up to international trade. His interest and the enrichment of his knowledge on the subject were further expanded upon during the pursuit of his PhD at Princeton University – known for encompassing a strong tradition in international trade and macroeconomics. After receiving his PhD from Princeton University, he joined UCLA’s Economics Department early this year.

Professor Fajgelbaum analyzes the determinants of trade: consumer preference and demand patterns that affect the specialization of nations and the income distribution of countries with the objective of understanding the implications of the beneficiaries from trade through his research. In addition to researching, Professor Fajgelbaum is currently preparing to teach ECON 164: Economic Growth in the Spring, attending seminars, and providing insight and advice to graduate students who are anticipating on entering the job market.

When asked if there was any piece of advice he could give to students, he said, “Work on the topics and questions you’re really interested in and don’t be afraid to follow your intuition in your investigation.”



Professor Zhipeng Liao

Professor Zhipeng Liao joins the Economics Department at UCLA after completing his PhD from Yale University. Professor Liao studied finance at the Beijing Institute of Business as an undergraduate and later received a master’s degree from the renowned Peking University. Finding interest in econometric theory, Professor Liao wanted to become a research economist during his studies at Peking University.

“As an undergraduate, I learned a lot of practice on how the Chinese banking system works and studied very little theory. At Peking University, theory was strongly emphasized. I found economic theory more interesting than empirical work,” says Liao.

In describing his academic work, Professor Liao compares his research to engineering. “Econometricians have the job of developing estimation and inference methods for applied studies. I design products for other people to use,” describes Liao. More specifically he brings valued experience in model selection, semi/nonparametric estimation and inference and time series modeling. Professor Liao is excited to be a part of the Economics Department at UCLA where he will bolster an already strong program in econometrics. Additionally, UCLA undergraduates have made strong impressions on Professor Liao. “UCLA students look more active than students at Yale. Here, I’ve seen students skateboarding and playing Frisbee. It seems very relaxed.” Professor Liao will begin teaching a graduate econometrics course in the spring quarter.

Interested in Studying Abroad? UCLA Students Study Economics in London!

UCL is one of Europe's leading universities with an established economics department. UCLA currently has an exchange program that allows students majoring in Economics or Statistics to study at UCL for one year. Elaine, a current UCLA student studying at UCL, took the time to answer some questions about the program.

Q: Why did you choose the UCL program?

A: "After a bit of research, I decided to apply because of UCL's excellent reputation for economics, the impressive history of the school and for the chance to live in London. UCL ranks within the top universities in the world. To give a taste of the history, alumni of UCL include Jeremy Bentham and Gandhi."

Q: How do the classes compare between UCL and UCLA?

A: "Classes have a very different atmosphere. A lot more independent study is expected of you at UCL. Instead of having discussion sections every week, my discussion sections meet once in a fortnight (14 days). I meet for lectures in each of my classes once a week for only one to two hours. It might seem as if I would have a lot of free time, but you actually need to work harder in order to keep up with the material with so few teaching hours. There really is more of an emphasis on self-study here."

Q: What do you think you have learned at UCL that you couldn't have learned at UCLA?

A: "I feel that being abroad in a different country has matured me greatly. When you first make the step to live that far away from your parents, your friends and everything that looks familiar, you begin to feel as if you've come into your own as an adult. The responsibility now lies upon you to deal with any problems that occur. Being at UCL in particular also allows a person to experience more cultures. Compared to UCLA, UCL has more interaction between people from a diverse selection of countries. One reason for that is Europe simply has more countries closer together than North America does. And on that note, coming to UCL also lets me travel and explore Europe. I can now say that I've climbed Hadrian's Wall, visited a church older than the United States and stepped foot in the same place Charles Dickens lived."

Q: Do you have any advice or recommendations for students considering the program?

A: "My advice to students who want to take advantage of this program is to start filling out forms now. There are many deadlines that pass rather easily. As for the students who remain unsure about whether this program is right for them, I would advise them to give it a try. After all, when else in their life can they simply take a year to roam about in London and travel Europe?"



UCL Main Building

Important Information

Candidates must have a minimum GPA of 3.3.

Year applications are due by April 15.

To find out more:

<http://www.ieo.ucla.edu/exchangeprograms/UCL/ucloutgoing.htm>

Interesting Fact:

Located in the heart of London, UCL has been a popular site for film production including *Inception* and *The Dark Knight*.

Career Spotlight: Investment Banking Analyst

Q: What does an Analyst do?

Investment banking is more or less an umbrella term; it can mean anything from mergers and acquisitions to advisory services to sales and trading, and much in between. In Los Angeles, most analysts work in mergers and acquisitions, so they deal with all the steps required for the buyout or merger of companies. Since an analyst is an entry level position, there is a lot of grunt work involved. Much of your time will be spent on Excel and PowerPoint, putting together slides for presentations ranging from trying to convince a company that a potential buyout is a good idea, that an IPO would be beneficial, or that a merger could be advantageous to both companies. Analysts work directly below MBA-level associates, Vice Presidents, Directors, and Managing Directors, nearly all of whom must approve of any work done. The end result is a good deal of legwork, the results of which shape the landscape of the modern financial world.

Q: What can you expect hours and compensation to be like?

Expect long hours. The analyst track is typically two years, both of which will be spent working till you drop. The average week is anywhere from 80-90 hours, with the worst weeks breaking 120. It is rare to have a day off, including weekends, although Monday through Thursday tends to be the worst. The hours may be long, but expect to be compensated for your time. Base salaries are typically 65-70k, with performance bonuses topping out around 60-70k. An important note about being an analyst is that it is a well-compensated entry level position, and opens the door to just about any other finance career later on.

Q: How can I break in?

Solid accounting and finance skills are key. Keep your grades up: most banks discard applications with below a 3.5 GPA. Being an excel wiz certainly helps make your on-the-job experience easier as well. Recruiting for the crucial summer (after junior year) internship begins Winter quarter of your 3rd year. Depending on the economy, upwards of 60% of summer interns can be hired full time. Full time recruiting happens Fall quarter of your 4th year.

Do you know Katie Davy?

Katie Davy is the Economics Career Specialist and should be your best friend if you're looking for a job. You can email her at kdavy@career.ucla.edu.

To find more information on business interest drop-in counseling go to the link below:

<http://career.ucla.edu/Students/CareerCounseling.aspx>

Omicron Delta Epsilon

Be on the lookout for the re-launch of Omicron Delta Epsilon, the Economics Honor Society at UCLA.

Omicron Delta Epsilon is one of the world's largest academic honor societies for both undergraduate and graduate students. The objectives of Omicron Delta Epsilon are recognition of scholastic attainment and establishment of closer ties between students and faculty within UCLA's Economics Department.