

Undergraduate Newsletter

Happy New Year 2015 Newsletter!
“The Future Awaits.”

Entrepreneurship Minor

UCLA Anderson School of Management has announced the new program for undergraduates interested in Entrepreneurship. For more info, please view their website at: <http://www.uei.ucla.edu/entrepreneurshipminor.htm>

ECON 102: Professor Geerolf Speaks to Roundtable

Important Dates

January 9-23: Business Economics Applications available

January 16: Last day to DROP impacted courses

January 23: Last day to ADD courses with per-course fee

January 23: Business Economics Applications Due

January 30: Last day to DROP nonimpacted courses without a transcript notation

February 20: Last day to DROP nonimpacted courses with transcript notation

March 13: Instruction Ends for Fall quarter

March 13: Last day to DROP nonimpacted courses by petition with instructor approval and transcript notation

March 16-20: Final Exams



Inside this issue:

Latest Updates 1

Important Dates 1

Mentoring Program 2

Meet Your Faculty: 2

Microfinance and Its Discontents 3

Opinion: What is Happening to Oil Prices? 3

Career Spotlight: Deloitte and Interna- 4

Econ Bruin at Deloitte
Continue on Page 2

Deloitte.

UCLA Economics Roundtable Mentoring Program

The UCLA Economics Roundtable launched a formal mentoring program in 2013. Now entering its second year, these partnerships support the UCLA Economics community by helping participating mentees navigate the academic and professional world while giving our mentors the opportunity to connect with others and share their own valuable experiences. The Roundtable Mentoring Program provides a framework for current upperclassmen (junior or senior standing) to connect with underclassmen or new transfers who have similar backgrounds. The program matches mentees with mentors and aims to provide the foundation necessary to establish a lasting collegial relationship that is mutually enriching for both mentee and mentor.



Application Process

The application is now available at <http://goo.gl/forms/04wqisFcre>

Accepted applicants will be contacted during first few weeks of Winter quarter. Be Ready!

Meet Your Professor: François Geerolf

Professor François Geerolf is an assistant professor at the UCLA Department of Economics. He joined the department in Fall 2014. He received his Ph.D. in Economics from Sciences-Po and his master's degree from the Paris School of Economics. His field of research is in macroeconomics and financial economics. Undergraduate students will have a chance to take a class with him this quarter as he is teaching ECON 102.

How did you get interested in Economics and research?

I originally wanted to be a French civil servant in the French Ministry of Finance. I got training in Economics as I was majoring in Physics and Mathematics. On September 15, 2008, Lehman Brothers went bankrupt, and this event sparked my interest in Economics. It then seemed to me that we did not have answers to many of the events then unfolding. As Keynes phrased it, "practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist." Therefore, I prefer to work on the research side rather than on the policy side of Economics.

What differences did you observe between education/research in France and in the US?

Huge difference. Research in Economics is much more active in the US. Economists in the US advise politicians and for example, the rest of the world is impacted by regulations set on American banks. The overall research atmosphere is very pleasant here. As for education in France, you receive much rigorous training in the French system. However, the US system allows you to explore your interests. Specialization comes later.

What are your favorite topics to teach?

I enjoy teaching macroeconomics, because it has to do with fundamental problems, such as the business cycle, unemployment, and financial crises. (*But I thought your specialization is in microeconomics?*) Macroeconomics is now very micro-founded. I personally have broad interest, and nowadays there is no longer a clear division between fields. Everything is interconnected.

Why did you decide to move to UCLA?

There are much more research opportunities in the US. At UCLA, there are many top researchers, who are very nice and willing to help. Los Angeles is a contrast from big cities in Europe that I am used to, however. Everything is spread-out, but I am getting used to it. And I am really starting to like it here.

Do you have anything to pass on to the general Economics undergraduate population here at UCLA?

Economics allows you to do anything. It allows you to be an informed citizen. For those to want to take a research-oriented career, the returns on research are very high. This is because Economics is a young discipline. Of course, it also gives good foundations for a career in banking, accounting, and consulting. My advice to new undergraduate students would be, to find out what you really want to do after graduation. As Confucius said, "Choose a job you love, and you will never have to work a day in your life." (Cr. Dhanawat Darakananda)

In Review: Microfinance and Its Discontents

Lamia Karim's "Microfinance and Its Discontents"

Many students interested in reading economics might find themselves struggling with what this subject exactly consists of. While an econ textbook might contain tons of equations and complicated computations, an analytic, field-research-based book like *Microfinance and Its Discontents* could open up a completely different standing way to view economics. I found this book most successful in making a great insight into microfinance, mostly represented by the paradigmatic Grameen Bank model designed and brought forth by the Nobel-winning social economist Muhammad Yunus.

Karim does a good job expounding the development of microfinance in Bangladesh. First of all, as defined by her, microfinance refers to a means of money-lending for impoverished people who are willing and able to start their own business with the loan. In Karim's account, microfinance has already become a useful model for poverty alleviation as well as feminist movement. In Bangladesh, for instance, the Grameen Bank claims to have 97% of loan repayment rate, and is widely acclaimed for credit access to rural women.

Except for economic gains, microfinance has also greatly improved poor women's public exposure and social status. Due to historical and colonial reasons, male dominance in South Asia is culturally ingrained. Microfinance challenges traditional patriarchal norms by injecting into women the "Western" belief of individuality and freedom. In her chapter on "The Social Life of Debt," Lamia Karim presents a talk with Jahanara about her loan-taking experiences. Karim notices that Jahanara looked "confident and well-fed," and showed off to other women that she was visited by "city people". Furthermore, when asked the reason of her business engagement, Jahanara said that her husband was "a simple-minded person... and could not handle complicated matters like loans". Jahanara's non-traditional behaviors suggest that female borrowers can challenge their husband's absolute power, while their interactions with NGO field workers expose them to male-dominated areas.

However, the rise of microfinance also engenders many problems. The book talks about how Muhammad Yunus had admitted in 2007 that 45 percent of female borrowers have been worse off since they took loans. Additionally, Karim's first-hand interactions with NGOs showed that many of them that claimed to reduce poverty in fact profited themselves. As a result, whether microfinance empowers women, or equally benefits women with different social positions, is still debatable.

In general, Karim believes that microfinance has great potential for development, because the positive social capitals it creates have long-lasting benefits, and will still be the guiding principle for credit governance. Under sound operation, the income, gains and public recognition microfinance brings to rural areas will continue to empower women in their socioeconomic lives. I definitely recommend this book as it gives light to a new type of economic framework that seems to have a very brilliant future in developing countries. (Cr. Lizzie Ma)



Opinion: What is happening to gas prices?

In the beginning of December, many Americans found themselves very pleased with gas pricing falling to levels not seen in a long time. Specifically in Los Angeles, average gas prices fell from \$4.17 to \$2.63 (37%) in last six months. One of the main causes of this market shock is the change in crude oil supply. Crude oil prices have fallen from \$110 to around \$50 per barrel as of beginning of this January.

This shift in the market is due to the new shale oil extraction technologies (also known as "fracking"). New methods are centered on the hydraulic fracturing, shattering of rock beds with pressurized liquids. While the environmental impacts and proper regulation have been part of evolving discussion within government and general public, many American startups began pouring to take a shot at oil. Until recently the prospects were looking pretty great for the new technology. Oil demand has been projected to increase, particularly in the emerging markets. Meanwhile, oil prices were at all-time high. However, shale oil industry is currently suffering as a victim of its own success by providing too much of cheap supply to the market.



Historically Organization of the Petroleum Exporting Countries (OPEC), the largest oil cartel, would step in to cut its supply in order to maintain the price. However, this time OPEC has chosen not to act. It is likely afraid of cheap shale oil replacing it as a new supply source. Strategically, lower oil prices are likely hitting shale production to a higher degree than traditional oil producers. Fracking has a high upfront capital cost. Many small companies that make up this side of the oil industry have likely borrowed large sums on the assumption of constant or rising gas prices. This market shock has a potential of knocking out those new small firms before it deals significant damage to OPEC. (Cr. Article—Nick Zalevski, Graph—CNN Money)

Career Spotlight: Bruin at Deloitte

I am a Senior Business/Economics Major and Accounting Minor. This summer I had an Audit Internship with Deloitte & Touche, LLP in the San Francisco Office. After receiving my internship offer, I applied to the firm's Global Internship Program. A few weeks later I found out I was accepted into the program and would be spending half of my internship in Barcelona!

I spent the first two weeks of my internship in the San Francisco Office undergoing audit training. Then, on the 4th of July, I flew to Barcelona. During my four weeks working abroad, I had the opportunity to work in another one of Deloitte's service lines, Transaction Advisory, as well as within a variety of industries, including financial services, consumer business, and telecommunications. In addition to gaining exposure to the Spanish business world, I was able to grasp a greater understanding of the Spanish culture in the evenings when I got off work and on weekend excursions. Although I was unable to study abroad during my years at UCLA, Deloitte's Global Internship Program gave me the opportunity to develop my professional skills and immerse myself in a foreign country!

I would recommend anyone interested in a career in accounting to apply to the Big Four firms' internships. These internships offer students a glimpse into their client services within local offices, as well as networking, global, and national opportunities. These internships can even lead to full-time offers a year before you graduate!

I have a few pieces of advice for students who would like to work for a Big Four firm:

- Do your best to keep your grades up! Many students are applying for these interviews, so you do not want your GPA to prevent you from getting an interview.
- Get involved in the recruiting process early and be aware of resume deadlines. The firms now offer programs for freshmen and sophomores, which puts these students ahead in the internship recruiting process. Head out to Meet the Firms during Spring Quarter to network with professionals and find out when the Career Center resume deadlines are for the Sophomore Leadership Conferences and internships.
- Be as confident and comfortable with yourself as you can during interviews. In my experience, the firms do not ask difficult technical questions. The firms' business models require employees to work in teams. Thus, interviewers are trying to discover if you work well with others, have a positive attitude, and can take responsibility for your work.

Overall, I have had a very positive experience recruiting with the Big 4 and recommend it to any student who has an interest in accounting and professional services. Who wouldn't want leadership, global, internship, and full-time employment opportunities all before they graduate? (Cr. Katherine Ridgeway)

The Undergraduate Roundtable is comprised of approximately one dozen undergraduate economics majors and pre-majors, representing students in the first through fifth years of the program, including transfer students. Students in the straight Economics major, the Business Economics major, and the Math-Econ major are all encouraged to participate. Pre-majors are also welcome. Meetings are typically held twice per quarter but the frequency depends on the preferences of the members themselves.

In addition to the newsletters, in the past the Roundtable has run a mentoring program for transfer students, an information night for students interested in pursuing a Ph.D., and organized lunches with professors. What the Roundtable does in the coming year is up to you!

Credits

Editors: Dhanawat Darakananda

Contributors: See Articles

Questions?

UCLA
Department of Economics
8283 Bunche Hall
Mail Stop: 147703

Undergraduate Economics
Counselors now go where you go!
Like and follow us for the most up to date information about the department, economics news, graduate and professional school, and career information.
Facebook: UCLA Economics Counselors
Twitter: @UCLAEcon
LinkedIn: UCLA Economics Undergraduate Student Affairs



Roundtable Email: roundtable@econ.ucla.edu