Boston College
Principles of Macroeconomics

EC132.04

Spring 2011

Mon-Wed-Fri
9.00am-9.50am
O’Neill Room 247

Instructor: Ekin Ustun
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Office Hours: Monday 10.00am-11.00am
Wednesday 10.00am-11.00am
Or by appointment

Course Description

This course is designed to meet a number of needs. It is required for the economics major and of CSOM students, it is one of the choices to fulfill the social sciences CORE requirement, and it serves as an elective to anyone who wants an introduction to macroeconomics. Principles of Macroeconomics helps students understand causes and consequences of human behavior and the dynamics and dimensions of social interaction. We will focus specifically on four broad questions: (i) why do some economies grow more quickly than others, and what are the consequences for the well-being and happiness of the individuals that populate these economies? (ii) why does the rate of unemployment fluctuate over time within any given economy, and what can public policy do to minimize these fluctuations and the costs that they impose on society? (iii) why do some economies experience episodes of high inflation, and what can be done to prevent their recurrence? (iv) what shapes the trade-offs, if any, that societies face between inflation and unemployment, and what can policymakers do to best manage these trade-offs? Throughout the semester we will cover the measurement of national income and cost of living, unemployment, determinants of economic growth, fiscal and monetary policy, the sources of short-run economic fluctuations and the basics of open economy macroeconomics.
Course Materials and Resources

Aplia: You are required to register on the Aplia website to do the weekly problem sets. By registering you will automatically have access to an electronic version of the textbook (Principles of Macroeconomics). You can find the details about how to register and payment options on the last page of the syllabus.

Textbook: It is optional to buy the printed textbook, N. Gregory Mankiw, Principles of Macroeconomics 5th ed., 2008. I am planning to cover Chpt 4, Chpt 10 - Chpt 22 in this book. You are going to have the access to the electronic version of this book by purchasing Aplia code. If you already have the textbook, N. Gregory Mankiw, Principles of Economics 5th ed., 2009, you can use this book for the chapters Chpt 4, Chpt 23 - Chpt 35 since they are the same as Chpt 4, Chpt 10 - Chpt 22 in the textbook, Principles of Macroeconomics.

Aplia Problem Sets: The Aplia problem sets will be available on the Aplia website. These problem sets will help you learn from your mistakes and improve your scores. The Aplia problem sets account for 20% of your final grade. Aplia website will not accept problem sets after the due date. So in order to prevent the cases where you cannot submit the aplia problem sets on time due to technical difficulties or unexpected events, I will drop the lowest two scores of the Aplia problem sets.

Lecture Notes: The lecture notes (as presentation slides) will be available after the classes on Blackboard. I might also email you some additional readings from various journals or newspapers.

Grading

There will be weekly problem sets at the Aplia, two midterm exams and a final.

Aplia Problem Sets 20%
1st Midterm Exam 20%
2nd Midterm Exam 20%
Final Exam 40%

Midterms and Final exams:
The midterm exams will be held during the regular class meeting times on Monday, February 21st and Monday April 4th. Each midterm will emphasize materials presented since the previous exam. Each will account for 20% of your final grade.

The date for final exam will be on Tuesday, May 13th at 9.00am. The room will be announced by the department during the semester. The final exam will cover the entire syllabus. It will account for 40% of your final grade.

There won’t be any make-up exams for midterms or finals. I will reweight your grades accordingly, if you miss any of the tests with an authorized
absence or medical note. It is always better if you can let me know about your situation in advance.

Academic Integrity

It is your responsibility to be familiar with Boston College’s policy on academic integrity which you can find at http://www.bc.edu/integrity. Violations of academic integrity will be reported to your class dean and judged by the academic integrity committee in your school. If you are found responsible for violating the policy, penalties may include a failing grade as well as possible probation, suspension, or expulsion, depending on the seriousness and circumstances of the violation.

Course Outline

A. Introduction and Market Forces of Demand and Supply
   Ch 4
B. The Data of Macroeconomics
   B.1 Measuring a Nation’s Income
   Ch 10
   B.2 Measuring the Cost of Living
   Ch 11
C. The Real Economy in the Long Run
   C.1 Production and Growth
   Ch 12
   C.2 Unemployment
   Ch 15
   C.3 Saving, Investment, and the Financial System
   Ch 13
D. Money and Prices in the Long Run
   D.1 The Monetary System
   Ch 16
   D.2 Money Growth and Inflation
   Ch 17
E. Short Run Economic Fluctuations
   E.1 Aggregate Demand and Aggregate Supply
   Ch 20
   E.2 The Influence of Monetary and Fiscal Policy on Aggregate Demand
   Ch 21
   E.3 The Short Run Trade-off between Inflation and Unemployment
   Ch 22
F. Macroeconomics of Open Economies
   F.1 Open Economy Macroeconomics: Basic Concepts
   Ch 18
   F.2 A Macroeconomic Theory of the Open Economy
   Ch 19
How to access your Aplia course

EC132.04, Mankiw 5e, Spring 2011
Instructor: Ekin Ustun
Start Date: 01/18/2011
Course Key: ATBN-GTW-CMNTT

Registration
Aplia is part of CengageBrain, which allows you to sign in to a single site to access your Cengage materials and courses.

1. Connect to http://login.cengagebrain.com/
2. If you already have an account, sign in. From your Dashboard, enter your course key (ATBN-GTW-CMNTT) in the box provided, and click the Register button.
   If you don’t have an account, click the Create a New Account button, and enter your course key when prompted: ATBN-GTW-CMNTT. Continue to follow the on-screen instructions.

Payment
Online: Purchase access to your course (including the digital textbook) from the CengageBrain website for US$90.00.

Bookstore: Purchase access to Aplia from your bookstore. Check with the bookstore to find out what they offer for your course.
After paying, you will have the option to purchase a physical book from the Aplia website at a discounted price. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 02/07/2011.