

BOSTON COLLEGE
DEPARTMENT OF ECONOMICS

EC132.01: PRINCIPLES OF MACROECONOMICS

INSTRUCTOR: Vasso P. Ioannidou
OFFICE: Carney Hall, 33B
TEL.: (617)-552-8704
E-MAIL ADDRESS: ioannido@bc.edu

CLASS MEETS EVERY: M, W, F, 1:00-2:00 p.m., Fulton 115
OFFICE HOURS: M, 3:00-4:00 p.m., Carney Hall 33B
TEXT: Samuelson, Paul A., and Nordhaus, William D. *Economics*, 16th ed., 1998.
COURSE REQUIREMENTS:

- 1 Midterm Exam: 40% on
- 1 Final Exam (cumulative) 60% on
- Problem sets: optional but strongly recommended (will increase marginally your final grade i.e., from B to B+).

INTRODUCTION

The objective of this course is to introduce you to the fascinating world of Macroeconomics! Concepts such as Investment, Consumption, Long-run economic growth, unemployment, inflation, fiscal and monetary policy will be part of the material that will be covered. This course has no formal prerequisites. However, even at the principles level, sufficient understanding of economics requires knowledge of some mathematical techniques. The essential elements of the mathematical tools needed will be covered in class as we go along. Nonetheless, you are strongly recommended to review some basic algebra on your own. For example, you are expected to be comfortable with manipulating fractions, decimals, solving first order equations, taking first difference of first order equation, reading and interpreting graphs as well as shifting or moving along graphs.

Regular class attendance and problem sets are crucial for understanding the material. You are encouraged to work on problem sets together but you are required to write up and turn in you own answers. Problem sets that are simply copied from somebody else will receive a score of zero, when this happens for the first time. When it happens for the second time, the student will loose the option of increasing marginally his/her grade through problem sets. Answers to problem sets will be available on the day that are due. Therefore, no late problem sets will be accepted.

As mentioned above there will be one midterm exam and one cumulative final exam. Make up exams will not be given. Any missed exams require appropriate documentation form the Dean of your school in order to avoid a failing grade. Cheating on any exam will not be tolerated and will result in an automatic failing grade on an exam (please refer to the page on Academic Integrity in the BC student handbook).

TENDATIVE SYLLABUS

PART A: MACROECONOMICS, THE STUDY OF GROWTH AND BUSINESS CYCLES

Chapter 20: Overview of Macroeconomics	Sept., 3
Chapter 21: Measuring Economic Activity	Sept., 8, 10
Chapter 22: Consumption and Investment	Sept., 13, 15
Chapter 23: Business Cycles and the Theory of Aggregate Demand	Sept., 17, 20
Chapter 24: The Multiplier Model	Sept., 22, 24
Chapter 25: Money and Commercial Banking	Sept., 27, 29
Chapter 26: Central Banking and Monetary Policy	Oct., 1, 4

Exam Preparation period 1	Oct. 6, 8
Midterm exam	Oct. 13

PART B: ECONOMIC GROWTH AND MACROECONOMIC POLICY

Chapter 27: The Process of Economic Growth	Oct., 13, 15
Chapter 28: The Challenge of Economic Development	Oct., 18, 20
Chapter 29: Unemployment and the Foundations of Aggregate Supply	Oct., 22, 25
Chapter 30: Ensuring Price Stability	Oct., 27, 29
Chapter 31: Open —Economy Macroeconomics	Nov., 1, 3
Chapter 32: The Warring Schools of Macroeconomics	Nov., 5, 8
Chapter 33: Policies of Growth and Stability	Nov., 10, 12

PART C: INTERNATIONAL TRADE AND THE WORLD ECONOMY

Chapter 34: International Trade and Exchange Rates	Nov., 15, 17
Chapter 35: Comparative Advantage and Protectionism	Nov., 19, 22

Exam Preparation Period 2	Nov., 29 and Dec., 1, 3, 6, 8
Final Exam	December

