

BOSTON COLLEGE
Department of Economics

EC132.03: PRINCIPLES OF ECONOMICS - MACRO

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Office hours: Monday 11:00-12:00 a.m. or by appointment

Class meets every: M, W, F, 9:00-10:00 a.m., Fulton 423.
Text: Samuelson, Paul A., and Nordhaus, William D. Economics, 16th ed., 1998.
Class web page: www2.bc.edu/~ioannido/teaching

Course Requirements:

- 2 Midterm exams: 30% each.
- 1 Final exam (cumulative): 40%.

Problem sets: will not be collected or graded but are strongly recommended for your best understanding of the material and for sufficient performance my exams.

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, monetary policy and open economy macroeconomics will be part of the material that we will cover. This course has no formal prerequisites. However, even at the principle level, sufficient understanding of economics requires knowledge of some mathematical techniques. The essential elements of the mathematical tools needed for the course 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 the 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. My passed experience showed that students who did *all* problem sets performed approximately 35% better on my exams compared to students who did not. To achieve a better understanding of the material, you are encouraged to work on problem sets together. Moreover, answers to the problem sets will be available on my web page one week after they are given.

As mentioned already, there will be two midterm exams and one final exam. Make up exams will not be given. Any missed exams require appropriate documentation from 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 the exam (please refer to the page on Academic Integrity in the BC student handbook).

COURSE SCHEDULE

PART A

Chapter 20: Overview of Macroeconomics	Jan., 21, 24
Chapter 21: Measuring Economic Activity	Jan., 26, 28
Chapter 22: Consumption and Investment	Jan., 31, and Feb., 2
Chapter 23: Business Cycles and the Theory of Aggr. Demand	Feb., 4, 7
Chapter 24: The Multiplier Model	Feb., 9, 11, 14
Review	Feb., 16
Midterm Exam on Part A	Feb., 18

PART B

Chapter 25: Money and Commercial Banking	Feb., 21, 23, 25
Chapter 26: Central Banking and Monetary Policy	Feb., 28 and Mar., 1
Chapter 27: The Process of Economic Growth	Mar., 3, 13
Chapter 28: The Challenge of Economic Development	Mar., 15, 17
Chapter 29: Unempl. and the Foundations of Aggr. Supply	Mar., 20, 22, 24
Chapter 33: Policies for Growth and Stability	Mar., 27, 29
Chapter 30: Ensuring Price Stability	Mar., 31 and Apr., 3
Review	Apr., 5
Midterm Exam on Part B	Apr., 7

PART C

Chapter 31: Open - Economy Macroeconomics	Apr., 10, 12
Chapter 34: International Trade and Exchange Rates	Apr., 14, 17, 19
Chapter 35: Comparative Advantage and Protectionism	Apr., 21, 24
Review	Apr., 26, 28
Final Exam (Cumulative)	May