

BOSTON COLLEGE
Department of Economics

EC 132
Principles of Macroeconomics
Fall 1997 Syllabus

Instructor : Khan Seshadri
Office : Carney 33C
Tel : 552 - 8707
email: Seshadrs@bc.edu
Office Hours : M, W, 3:15-4:15

I. Learning Objectives of the Course

At the end of this course, the student should have a thorough understanding of the fundamentals of Macroeconomics. It is the branch of economics that focuses attention on the aggregate behavior of the national economy, which contains within it, the markets that you studied in microeconomics. More particularly, it deals with policy issues such as economic growth, employment, inflation, and international economic relations, which all countries within the global economy wrestle with. Attention is paid to how various policies may affect the overall performance, and levels of economic activity in a nation.

II. Required Text

Tresch, Richard W. , **Principles of Economics** , West Publishing Company , 1994. All readings in the syllabus refer to the above. I will be discussing articles from **The Wall Street Journal** and / or **The Economist** throughout the course. I urge you to subscribe to one or both. If you are going to make successful careers in Business or Social Science, you **must** get in the habit of keeping on top of world economic events from an early stage. The student is responsible for all assigned readings in the text book and any other readings that may be assigned.

III . Course Grades

<u>Item</u>	<u>Dates</u>	<u>% of Grade</u>
Five 45 minute Tests	Sept 26, Oct 17, Nov 7, 21, Dec 5	15% each
Final Exam (<u>Comprehensive</u>)	TBA by registrar	25%

- In addition, several problem sets will be assigned over the course of the semester. You do not need to turn these in, **but you must be able to solve these problem sets to obtain a passing grade on the quizzes and the final.**

IV . Course Logistics (Letter and Spirit)

- The final exam is comprehensive and required. Absence from the final will result in a failing grade.

- **There will be absolutely NO make up quizzes in this course.** Any missed quiz will be entered as a **zero**. In the event of an emergency or extenuating circumstances, documentation from the Dean of your school and a Doctor are required. In such cases, the average quiz grade will replace the missed quiz.

-If school is canceled on the day of any exam (quiz or final) due to inclement weather or any other emergency, the exam will be administered on the next class day.

- **Since the dates of the exams are known to you well in advance, please make any travel arrangements accordingly. THANKSGIVING AND THREE DAY WEEKEND TRAVELERS NOTE!**

- **ACADEMIC INTEGRITY :** **No form of cheating on an exam or quiz will be tolerated. The minimum action is an automatic failing grade on the exam or quiz in question.** Please refer to the page on Academic Integrity taken from the BC student handbook. These principles should guide you not only in this course, but throughout your studies.

V . A Few pointers on how to get the most out of the course.

- Your ability to understand the material as the semester moves on, depends **crucially** on how well you assimilate the elementary material presented in the earlier sections of the course. Make sure that your basics are sound, or you might find the damage control later on to be too costly. This is particularly true of the later parts of the semester, when the pressures from your other courses become more difficult to manage. Furthermore, for those of you who are planning to take the macro course in the spring, a good understanding of micro is a strong asset right from the beginning. So check yourself early on, and thereafter on a regular basis. **The problem sets are meant to help you do this.** The moment a problem arises, take care of it immediately.

My office hours represent the time that I have set apart for you. Make sure that you use them effectively to your advantage, rather than accumulating problems until they get out of control.

- **Unfailingly regular class attendance is extremely important.** This ensures that your learning is first hand. You will halve your stress at exam / quiz time by attending the class in *mind and presence*. Your active participation in class is strongly encouraged. You are always welcome to ask questions and raise related issues of interest. It serves to maximize your learning, and it gives me instant feedback on which concepts are difficult to grasp, which is vital if my teaching is to be effective.

- Get to know your classmates early. You can learn as much from each other as you can from me, through **constructive** and **regular** study groups. I encourage you to work together on your problem sets. **But also bear in mind the fact that simply copying someone else's problem set only serves to delude you. Such practices are not in your own best interests.**

- Even at the principles level, economics has a dominant mathematical aspect to it. If necessary, it is very important that you re-familiarize yourself with some algebraic and geometric skills. The most useful skill, is fluency in reading and interpretation of graphs. You should also be comfortable manipulating fractions, decimals, and percentages, and solving simple equations. While I will make every effort to present these techniques in class, I will assume that you are familiar with them.

- In addition to the help that you can receive from me, and from your classmates , there are excellent tutoring facilities that are available, **FREE**, at the **Academic Development Center** in O'Neill library. Use **all** the resources that are available to help you learn.

- As a social / business science, Economics lies at the root of goings-on in areas from **Law, Politics, Philosophy and Sociology to Finance and Marketing. There is practically no subject outside of the natural sciences which is not influenced by economics.** *From a very early stage, I strongly urge you to constantly reflect on the material that you obtain here.* Things may sometimes seem abstract and theoretical but they have far reaching social and business implications that will be useful **regardless of your major.** To the extent that time permits, I will try to suggest these perspectives, *but the power and the beauty of any knowledge you gain here ultimately rests in your hands.*

V . Course Outline

1. Overview of macroeconomics (Approx 1 1/2 weeks)
Introduction, Chs. 25 and 26.
2. National Income Accounting Ch. 27 (Approx 1 week)
3. Modeling the Macroeconomy Ch.28 (Approx 1 1/2 weeks)
4. Fiscal Policy and Unemployment, and Business cycles Chs. 29, 30, 31, 32.
(Approx 5 weeks)
6. Introduction to Money, Banking and the economy. Chs. 33, 34, 35 (Approx
3 weeks), Outside readings to be given. Time permitting, the ISLM model.
7. Putting the pieces together Ch. 36 (Approx 1 week)

IF TIME PERMITS

8. Politics and the Macroeconomy (lecture notes)