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Economics 202.01 & 202.02, Fall 1998

Macroeconomic Theory

Teaching Assistant: Niki Papadopoulou, papadopn@bc.edu
Office Hours: Monday 1:00-3:00pm, SEE WEB PAGE

Course Schedule: 202.01 T,Th 9:00am-10:15am, O'Neil 255
202.02 T,Th 1:30pm-2:45pm, O'Neil 257

Final Exams: 202.01 Tue, Dec. 15, 12:30pm
202.02 Tue, Dec. 15, 9:00am

Overview: The goal of this class is to provide you with a set of analytical tools which will allow you to understand changes that affect the entire economy (as opposed to, say, changes affecting only specific industries or specific classes of workers). We will define concepts such as unemployment, output growth, interest rates and inflation, and study how they are determined and why they change. The course will be broken down by the horizon in which we are interested. We will start by examining how the economy may move from one quarter to the next (the short run), then we will examine what happens over the course of a couple of years (the medium run) and finally we will study what determines the behavior of the economy over long periods of time such as decades (the long run). If time permits, we will examine specific issues that are currently relevant, such as the transition of the former communist economies to capitalism or the severe unemployment problem of many European countries.

Readings: The required text for this class is *Macroeconomics* by Olivier Blanchard. It is also suggested that you get in the habit of following the economy by reading either the weekly magazine *The Economist* or by reading the Business Page of the *New York Times*. You will be expected to follow the major economic news stories from around the world. Occasionally, I will bring handouts from newspapers to class for discussion.

Course Materials: All course materials (such as problem sets, solutions to problem sets and solutions to exams) will be distributed through the course web site <http://www2.bc.edu/~gakidis/classes/202.html> and will NOT be brought to class.

Requirements: The course is based on 9 problem sets (of which we will count the best 8), two in-class quizzes, and a comprehensive final exam. The final exam counts for 30% of your grade, each quiz for 15%, and the problem sets count for the remainder.

Problem Sets: You are responsible for downloading the problem sets on time and bringing them to class on their due date. Problem sets are due in class, and will not be accepted if dropped off. Absolutely **no late problem sets** will be accepted. You are allowed to cooperate on problem sets but each student must turn in an original problem set. Identical problem sets will receive a grade of zero.

Exams: There will be no make-up exams. If you are forced to miss an exam you will have to provide documentation from the Dean of your school as well as your physician. In that case, the grade for the exam you missed will be replaced by your average grade. Otherwise, you will receive a zero for that exam.

Attendance: You are expected to attend each class, and notify the TA if you have to miss any classes.

Tentative Schedule for the Remainder of the Course

Thu	11.5		Ch.13: Output, the Interest Rate and the Exchange Rate	
Tue	11.10		Ch.13: Output, the Interest Rate and the Exchange Rate	
Thu	11.12		Ch.14: Exchange Rate Movements and Crises	
Tue	11.17		Ch.14: Exchange Rate Movements and Crises REVIEW	PS #7 DUE NEW DATE
Thu	11.19		QUIZ #2	QUIZ #2
Tue	11.24	MEDIUM RUN	Ch.15 The Labor Market Ch.16 Aggregate Supply and Aggregate Demand	PS #8 online

Thu	11.26		<i>Thanksgiving Holiday – go home and watch Barry</i>	
Tue	12.1		Ch.16 Aggregate Supply and Aggregate Demand Ch.17 The Phillips Curve	PS #8 DUE PS #9 online
Thu	12.3		Ch.17 The Phillips Curve Ch.22, 23 Growth Overview	
Tue	12.8	LONG RUN	Ch.22, 23 Growth Overview REVIEW	PS #9 DUE
Thu	12.10		Study Days	
Tue	12.15			FINAL EXAM