

Principles of Macroeconomics Syllabus

EC 132 Spring 1998

BOSTON COLLEGE

Department of Economics

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I. Learning Objectives of the Course

At the end of this course, the student should have a thorough understanding of the fundamentals of Macroeconomics. A good course in Microeconomics is not required, but highly recommended. If you have no economics background, you will have to work harder in the beginning to catch up. In acquiring understanding of said fundamentals, the student should have acquired the skills for i) successful continuation of higher learning in economics or business; ii) the economic knowledge necessary for any good citizen in a democratic society to ascertain the economic reality of policy.

Macroeconomics deals with economic issues at the level of the national aggregate economy. Most of the analysis will be based on supply and demand principles learned in Micro. Specifically, we will study aggregate supply and demand. Aggregate labor and capital markets, and the aggregate money market. We will also study the basic Keynesian macro-model in detail.

II. Required Text

Tresch, Richard W. , **Principles of Economics** , West Publishing Company , 1994. All readings in the syllabus refer to the above. I also require that each one of you subscribe to or read regularly some current publication such as **Business Week, The Wall Street Journal, Financial Times** and, or **The Economist** throughout the course. I urge you to subscribe to one or more. 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 in order to appreciate the class discussion. To help you form good habits we will discuss an incentive system for reading the popular press such as quiz points for articles. 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>
4 x 45 minute Quizzes	Jan. 30; Feb. 20; March 20; April 17	15% each
Final Exam (<u>Comprehensive</u>)	Check published schedule	35%
Classroom Participation and Homework		5%

- 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. There may or may not be a curve, depending on my own subjective evaluation of the performance of the class as a whole relative to the numerical scores.**

IV . Course Logistics (Letter and Spirit)

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

- **Please note the quiz dates. 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. I will however, **drop your lowest quiz grade.**

-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. ___**

- **ACADEMIC INTEGRITY :** No form of cheating on an exam or quiz will be tolerated. **The minimum action will exceed a failing grade on the exam or quiz in question and I will refer such matters to the Dean.** Please refer to the page on Academic Integrity taken from the BC student handbook.

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. So check yourself early on, and thereafter on a regular basis. **The problem sets are meant to help you do this.** You should be able to complete homework problems without your notes before the quiz--this will be the best indicator of how well you are assimilating the material. My office hours represent the time that I have set apart for you. Make sure that you use them effectively to your advantage.

- **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 serves nothing.**

- 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 at the introductory level, is fluency in the reading and interpretation of graphs. You should also be comfortable manipulating fractions, decimals, and percentages, and solving algebraic 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 does not require a reasonable understanding of economics.** *From a very early stage in the course, I strongly urge you to reflect on how the material presented here pertains to your own experience.* 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 to bring to life any knowledge you gain here ultimately rests in your hands.*

V . Course Outline

1. Review of microeconomics (Approx 1 1/2 weeks)
Introduction to economics and supply and demand Chs. 1-4, and supply and Demand.
2. Intro to Macro economics and measurement of variables and policy goals. Ch-22-23, & 25-27.
3. Aggregate Supply and Demand--Output markets and Factor markets. Ch's 18, 20, 37-38.
4. The NeoClassical and Keynesian Macro Models--introduction Ch.28.
5. The Keynesian Model in detail. Ch 29-30.
6. The money market and monetary policy Ch. 33-35.