

BOSTON COLLEGE
Department of Economics

EC 132.01
Principles of Economics--Macro

Richard Tresch
Spring 1999

Required Text: Richard Tresch, Principles of Economics, 1st edition
(referred to below as Tresch)

Course Requirements:

1 hour test (60 points)--Wednesday, March 24
Final examination (90 points)--Tuesday, May 11, 12:30
Numerous problem sets (optional, but strongly recommended), worth a maximum
of 1/3 grade on the test average

Discussion Leaders: Vasso Ioannidou, Sasha Kalenik, Yuichiro Yoshida,
Maurizio Zanardi

NOTE: I have scheduled **two additional lectures** because of the many
Monday holidays:

Friday, April 9, 3:00, Devlin 008
Friday, April 23, 3:00, Devlin 008

I. The Distribution of Income, Poverty, and Government Income Support Programs
(1 week)

Tresch: Ch. 22

II. Overview of Macroeconomics (2 weeks)

A. The Macroeconomic Policy Goals

Tresch: Ch. 2 (pp. 32-33); Ch. 3 (pp. 37-57) (Review of production
possibilities frontier and long-run economic growth)
Chs. 25, 26 (Long-run growth, full employment, price stability,
and stable international economic relations)

B. National Income Accounting

Tresch: Ch. 27; also review Ch. 4 (pp.77-80) (The circular flow of
economic activity).

C. On Modeling the Economy

Tresch: Ch. 28

II. The Theory of Income Determination and Macroeconomic Policy (8 weeks)

A. National Income Determination and Fiscal Policy

Tresch: Chs. 29-31, including all Appendices.
Also: Ch. 23 (pp. 657-662), and Ch. 24 (pp. 668-680), for
background information on U.S. government
expenditures and taxes.

B. Business Cycles

Tresch: Ch. 32

C. The Role of Money in the Economy and Monetary Policy

Tresch: Chs. 33-35; Appendix to Ch. 34 is optional

D. Synthesis of Fiscal and Monetary Policy

Tresch: Ch. 36

E.. Controlling Inflation and Other Policy Issues

Tresch: Chs. 37-38

III. International Trade and Finance (2 weeks)

A. International Trade and Trade Restrictions

Tresch: Ch. 39

B. International Finance: The Balance of Payments and Exchange Rates

Tresch: Ch. 40