

**BOSTON COLLEGE**  
**Department of Economics**

**EC 132.05**  
**Principles of Macroeconomics**  
**Spring 1999**

**Instructor: Kamer Karakurum**  
**Carney 33b**  
**552-8704**  
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*Meeting time and place:* MWF 11:00, Fulton 423

*Office Hours:* Mon 1:30-3:30 or by appt.

*Required Text:*

Tresch, Richard (1994). Principles of Economics, West Publishing Company.

*Course Requirements, Weights and Exam Dates:*

Quiz: 10% (Wed, Feb 24<sup>th</sup>, 5pm)

Midterm Exam: 30% (Mon, March 22<sup>nd</sup>, 5pm)

Final Exam: 40% (Mon, May 10<sup>th</sup>, 12:30pm)

Class Participation: 10%

Take-home essay: 10%

I will also assign several problem sets throughout the semester. No weight is assigned to these problem sets, however they are crucial for your understanding of the fundamentals of the course and practicing for the exams.

There will be no make-up exams unless there is an exceptional case. If you miss an exam due to a health problem, you are required to submit a note from the health services.

This course is designed for you to get a solid understanding of the Principles of Macroeconomics. Studying in groups will help but be sure to be able to do the problem sets on your own, review your notes and read the relevant chapters of the text on a regular basis. You are encouraged not only to attend classes regularly but also to follow the material and raise questions. You can also ask me questions during my office hours (or another time with an appt.).

**Course Outline (may be subject to change):**

- I. Introduction to Macroeconomics (3 weeks)
  - A. The Macroeconomic Policy Goals - Chapters 25 and 26
  - B. National Income Accounting - Chapter 27
  - C. Macroeconomic Modeling - Chapter 28
    - 1. Fiscal and Monetary Policies
    - 2. New Classical approach
    - 3. New Keynesian approach
- II. National Income Determination and Fiscal Policy (3 weeks)
  - A. National Income Determination - Chapter 29
  - B. Fiscal Policy, the Spending Multiplier and the Fiscal Policy Multipliers - Chapter 30
  - C. Automatic Stabilizers in the economy - Chapter 31
- III. Business Cycles: Theory and Evidence - Chapter 32 (1/2 week)
- IV. Monetary Policy (2 1/2 weeks)
  - A. The Nature of Money and Banking - Chapter 33
  - B. The Monetary System of the U.S. - Chapter 34
  - C. Monetary Policy and its effects - Chapter 35
- V. Fiscal and Monetary Policies and the Macroeconomic Policy Goals - Chapter 36 (1 week)
- VI. The Role of Prices and the Problem of Inflation (2 weeks)
  - A. Aggregate Supply and Aggregate Demand Curves for the Economy - Chapter 37
  - B. The Control of Inflation, the Inflation - Unemployment Tradeoff - Chapter 38
- VII. Selected Topics from Development Economics - discussion of Current Issues
- VIII. Selected Topics from International Trade and Finance