Please note that this syllabus should be regarded as only a general guide to the course. The instructor may have changed specific course content and requirements subsequent to posting this syllabus. Last Modified: 17:14:23 01/11/2013

BOSTON COLLEGE
Department of Economics

EC 202 Macroeconomic Theory
Spring 2013
(Subject to change, at the discretion of the instructor)

Instructor: Can Erbil
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Office: 21 Campanella Way, 480N

Office Hours:
Wednesdays 11:30am - 12:30pm
Fridays 3-4:00pm and by appointment

Scheduled Class Times and Locations:
Section 1: M, W, F 9-9:50am, Fulton 145
Section 2: M, W, F 10-10:50am, Fulton 145
Section 3: M, W, F 2-2:50pm, Fulton 135

Required Text: N. Gregory Mankiw, Macroeconomics. Worth Publishers, 8th edition, 2012, available at the BC Bookstore (or direct from the publisher or Amazon)

Also required: EconPortal to accompany the text (which comes free with the textbook but is available for purchase separately)
Course Overview:

This course provides an introduction to the modern theory and practice of macroeconomics. It covers a variety of classic questions in macroeconomics including: What are the determinants of long-run economic growth? Why do economies regularly experience booms and recessions? Why is there unemployment? What determines the value of money in an economy? The course focuses particular attention on how macroeconomic policy (monetary and fiscal) affects outcomes in these dimensions, and on using the tools of the field to evaluate alternative policy responses to current events.

The total amount of reading in this course is modest, but the prudent student will read it several times. I highly recommend that you read the material assigned before we discuss it in class, and then read it again afterwards. The course material is cumulative, with each topic building on prior ones, so missing classes and falling behind are particularly bad ideas.

Supplements and Current Economic News:

I will also post a set of Supplements for the course, prepared by Prof. Bob Murphy, on our BB Vista. These Supplements will often go into more depth than the textbook or highlight issues not directly covered in the text.

As time allows, we will discuss some of these in class, but most of them are for your own enjoyment.

I also encourage you to follow current economic issues by reading on a daily basis one of the major national newspapers (e.g., The Wall Street Journal, The New York Times, and The Washington Post). Fortune, Business Week and the Economist magazines also are good sources for keeping up on economic events. We will frequently discuss the current state of the economy and current policy debates in class, and homework and exams are likely to ask you for an informed discussion of current events.

I will post articles of interest to you on our BB Vista site. If you see something related to one of our topics, send it to me, and I may pass it on to your classmates.

I encourage discussion in class by asking you questions, which I urge you to think about and answer. I also encourage you to ask questions in class, especially when you are confused. If you are confused, so are many of your classmates. Do us all a favor, and speak up! I take attendance and class participation will determine part of your grade (see below).

I urge you to study this material together. You can learn as much from each other as you can from the textbook or from class.
**Prerequisites:**

Principles of Microeconomics (EC131)  
Principles of Macroeconomics (EC132)  
One semester of calculus (MT100 or MT102)

To enjoy this class you must be able and willing to deal with a few technicalities. You should be familiar with these tools in advance.

**Problem Sets:**

I will assign problem sets from *EconPortal*. Some of these will be *graded*, and some problem sets will be for *practice only*.

I will post *additional problem sets* from the “end-of-chapter” questions of Mankiw’s textbook on BB Vista. These problem sets are to be handed in during class on the due dates. I urge you to work through these problems and check the answer keys. You may work together on the problem sets.

You may work *in groups*, but each student must turn in her or his *own work*. I will not accept late homework.

**Grading:**

Class Participation: 15%  
Problem sets: 10%  
Midterm Exam#1[date TBA]: 20%  
Midterm Exam#2[date TBA]: 20%  
Policy Analysis/Case Study: 5%  
Final Exam [date TBA]: 30%

The *examinations* will be a combination of multiple-choice questions, “true or false” questions, graphical and numerical problems, and short essays.

Any unverified absence from a midterm or final exam will result in a zero score for that exam.

**Policy Analysis/Case Study:**

The policy analysis assignment will be due on the last week of the course. This assignment will allow you to chose a current event and analyze it with the macro tools and models we developed in class during the semester.

It is a short analysis (3-5 pages) with a focus macroeconomic policy. More detailed information and guidelines will be posted on BB Vista during the semester.
Information Dissemination:

All lecture notes, homework assignments, project instructions, as well as some supplementary material will be available on Blackboard Vista (BB Vista). Please check BB Vista frequently as the additional problem sets, answer keys, notes, announcements and more will be posted there (as .pdf) and will be available for you to download/access.

In addition, Worth Publishers has a web site that accompanies the textbook (http://bcs.worthpublishers.com/mankiw8) where you will find some useful materials.

If you need to submit your homework electronically, please do so by email before the beginning of class on the due date.

The best way to reach me is via e-mail (can.erbil@bc.edu). Please don’t leave any voice messages on my office phone, since I don’t check them on a regular basis.

Academic Integrity, Disability Services:

Any infraction of Boston College’s Academic Integrity Policy (available online at http://www.bc.edu/offices/stserv/academic/resources/policy.html#integrity) will result in an automatic F for the course and the offense will be reported to the Dean’s office. There will be no exceptions. Boston College is committed to providing equal and integrated access for students with disabilities to all available academic, social, and recreational programs and activities.

The Disability Services Office at Boston College ensures that students with disabilities receive appropriate accommodations and assistance in order to participate fully in University programs. Students requiring assistance are advised to get in touch with the Office of the Dean for Student Development (on the web at http://www.bc.edu/offices/odsd/disabilityservices.html).

Optimizing Your Performance:

Here are some suggestions that may help you to have the best chance to do well in my class:

1) **Attend the lecture.** The purpose of the course is to teach you something, not to toss out information and see how much sinks in.

2) Do the **assigned readings** before class to get a preview of the material to be covered and to prepare any questions you have about this material. Study the material, don’t just read it.

3) Check our **course website** regularly. I will update it weekly to indicate our progress on the outline.
4) Take the problem sets seriously, because they are the best indication of whether you understand the material and they are the best preparation for the exams.

5) When preparing for exams, let the lectures guide you as to what is really important.

6) And by all means, seek help if you need it, and before you get hopelessly behind.

Flu:

If you develop flu symptoms, do not go to class. Try to keep up with class assignments using the materials available on BB Vista and notify your dean and me. For more information please refer to the H1N1 Academic Protocols for Faculty and Students at [http://www.bc.edu/offices/uhs/education/H1N1_flu.html](http://www.bc.edu/offices/uhs/education/H1N1_flu.html).
Syllabus
(Preliminary and subject to change at the instructors discretion)

(1st week)
Part I: Introduction
1. The Science of Macroeconomics (summary)
2. The Data of Macroeconomics (summary)

Part II: Classical Theory: The Economy in the Long Run
3. National Income: Where It Comes From and Where It Goes

(2nd-5th weeks)
Part II: Classical Theory: The Economy in the Long Run (continued)
4. The Monetary System: What It Is, and How It Works
5. Inflation: Its Causes, Effects, and Social Costs
6. The Open Economy
7. Unemployment

(6th week)
Part III: Growth Theory: The Economy in the Very Long Run
8. Economic Growth I: Capital Accumulation and Population Growth

(7th-11th weeks)
Part IV: Business Cycle Theory: The Economy in the Short Run
10. Introduction to Economic Fluctuations
11. Aggregate Demand I: Building the IS-LM Model
12. Aggregate Demand II: Applying the IS-LM Model
13. Aggregate Supply and the Short-run Tradeoff Between Inflation and Unemployment

(12th week)
Part VI: Topics in Macroeconomic Policy
20. The Financial System: Opportunities and Crises

[Optional]
Part V: Topics in Macroeconomic Theory
15. A Dynamic Model of Aggregate Demand and Aggregate Supply
16. Consumption
17. Investment
18. Stabilization Policy
19. Government Debt and Budget Deficits