SYLLABUS

Department of Economics
EC202
Macroeconomic Theory

A. Laramie
Spring 2013
Boston College

OFFICE HOURS: Office: Maloney Hall, 21 Campenella Way, Room 480C; Times: Tuesday and Thursday 1:30 pm to 2:30 pm, and by appointment; E-mail: laramiea@bc.edu


Supporting study materials (including chapter summaries, diagnostic quizzes, flash cards, review questions, and tutorials) for the textbook can be found at: www.wwnorton.com/college/econ/chad/welcome.asp.

WEB SITES: Good web sites for macroeconomists include:
1) http://research.stlouisfed.org/fred2/ (Federal Reserve Bank of St. Louis database)
2) http://www.bea.gov/ (National Income and Product Accounts of the U.S.)
3) http://www.federalreserve.gov/sitemap.htm (The Federal Reserve Board of Governors--provides access to Federal Reserve, reports, papers and statistics)
4) http://www.fedstats.gov/ ("Gateway to statistics published by over 100 Federal Government Agencies.")
5) http://www.census.gov/econ/www/index.html (For the latest economic indicators published by the U. S. Census Bureau.)
6) http://www.bls.gov/data/ (For Bureau of Labor Statistics data on unemployment, inflation, working conditions and productivity.)
8) http://krugman.blogs.nytimes.com/ (An example of a popular blog in economics.)
9) http://www.gongol.com/lists/bizeconsites/ (A list of econ. blogs)

COURSE OBJECTIVE: The purpose of this course is to provide a broad background in macroeconomic theory and policy. The origins of macroeconomics and various macroeconomic theories and controversies are examined. The course emphasizes the differing policy implications that are derived from various bodies of economic theory. Students will learn how economic theory is developed, refined and extended. Students will learn how economic theory is used to inform policy decisions, and how policy decisions are related to core beliefs and assumptions.

COURSE OUTLINE:
I. Introduction.
   A. What is macroeconomics?
   B. Macroeconomic measurements
   C. An introduction to long-run economic growth
II. Explaining Long-Run Economic Growth
   A. The Production Model
   B. The Solow Growth Model
   C. Economic Growth and Ideas: The Romer Model
   D. The Labor Market, Wages and Unemployment
   E. Inflation and the Classical Dichotomy

III. Explaining Short-Run Variations in the Economy
   A. The Phillips Curve and Okun's Law
   B. An Overview of the Great Recession
   C. The IS curve, Aggregate Demand Shocks and Fiscal Policy
   D. Monetary Policy, Stabilization: the Phillips Curve and the Great Recession

IV. Conclusion: The Great Recession--Continued Concerns

HOMEWORK: In addition to the assigned readings, end-of-chapter exercises have been assigned. You are to complete these exercises as tentatively scheduled below. The exercises will be collected during class time and graded on a 0 to 10 scale (with ten being the maximum number of points). Homework emailed to me will not be accepted. The grade on homework submitted late will be reduced by one point for every weekday that it is late.

ATTENDANCE: Beginning on January 24, attendance will be taken at the beginning of every class. A student who is more than ten minutes late for class will be marked absent. If a student misses more than eight classes, I reserve the right to fail the student for the class.

CLASSROOM ETIQUETTE: Students need to arrive to class on time, and remain seated during the class period. In case a student needs to leave the classroom during the class period, the student is allowed to leave, but the student will not be readmitted until the class period is over. Use of electronic devices, such as cell phones, is prohibited during class time. The use of computers is prohibited during class time, unless the appropriate college officer recommends computer use, as a means to take notes, as a reasonable American Disabilities Act learning accommodation. Handheld calculators are allowed in the classroom. Cell phone calculators are not allowed in the classroom. Failure to adhere to these standards can result, at my discretion, in a reduction in the final course grade.

ACADEMIC INTEGRITY: "Academic integrity is central to the mission of higher education. Please observe the highest standards of academic integrity in this course. Please review the standards and procedures that are published in the university catalog. Make sure that the work you submit is in accordance with university policies. If you have any questions, please consult with me. Violations will be reported to the Deans' Office and reviewed by the College's Committee on Academic Integrity. Violations could result in failure in the course or even more severe sanctions." (letter from Joseph Quinn)
**GRADING:** Grading is based upon two semester exams, graded homework assignments, and a final exam. Each semester exam's grade weight is 25%. The homework’s grade weight is 10%. The final exam's grade weight is 40%. The final exam will be cumulative.

**TENTATIVE ASSIGNMENT SCHEDULE:**

Week of:
1/15 Introduction
   Chapter 1
   Exercise 6 (hint: do question 5 first--its answer is in the book)
1/22 Chapter 2
   Exercises 2 and 7
   Chapter 3
1/29 Chapter 3 continued
   Exercises 9, 10 and 11
   Chapter 4
2/5 Chapter 4, Exercises 2, 4 and 5
2/12 Chapter 4 continued, Exercises 2, 4 and 5

**Exam 1 (Chapters 1 - 4)**

2/19 Chapter 5, Exercises 5 and 7
2/26 Chapter 6
   Exercises 5, 7 and 9
3/5 **Spring Break -- No Classes March 4 through March 8**
3/12 Chapter 7
   Exercises 1, 6 and 8
3/19 Chapter 8, Exercises 1, 3, 4 and 6
3/26 Chapter 9, **No classes on March 28, Easter Break**
4/2 Chapter 9 continued, Exercises 3 and 6

**Exam 2 (Chapters 5 - 9)**

4/9 Chapter 10, Exercise 4
   Chapter 11
4/16 Chapter 11 continued, Exercises 1 and 3
4/23 Chapter 12, exercises 1 - 3 and 6
   Chapter 13
4/30 Chapter 14

**FINAL EXAM:** Friday, May 10 at 12:30 PM