

## **Spring 2003: Principles of Economics II--Macro**

EC 132.06: MWF 1 p.m, Fulton 235

EC 132.07: MWF 2 p.m, Fulton 235

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Office hours: Monday, 3.15–5.15 p.m.

### **Textbooks**

#### **Required:**

*Principles of Economics*, Second Edition, by N. Gregory Mankiw, International Thomson Publishing, 2001, ISBN: 0030259517

#### **Recommended, but not required:**

*Study Guide for N. Gregory Mankiw's "Principles of Economics"*, by David R. Hakes and N. Gregory Mankiw, International Thomson Publishing, 2001, ISBN: 0030270189

### **Syllabus**

I will cover the following topics in class, time permitting, not necessarily in the order given below:

1. Measuring a nation's income (Ch. 22)
2. Measuring the cost of living (Ch. 23)
3. Production and growth (Ch. 24)
4. Saving, investment and the financial system (Ch. 25)
5. Unemployment and its natural rate (Ch. 26)
6. The monetary system (Ch. 27)
7. Money growth and inflation (Ch. 28)
8. Open-economy macroeconomics: basic concepts (Ch. 29)
9. A macroeconomic theory of the open economy (Ch. 30)
10. Aggregate demand and aggregate supply (Ch. 31)
11. The influence of monetary and fiscal policy on aggregate demand (Ch. 32)
12. The short-run trade off between inflation and unemployment (Ch. 33)

### **Exams and Problem Sets**

Weights: Midterm: 40%

Final: 60%

Dates: Midterm: February 24<sup>th</sup>.

Final: EC132.06, Tuesday, May 6<sup>th</sup>, 12:30 P.M.

EC 132.07, Thursday, May 8<sup>th</sup>, 9:00 A.M.

The problem sets will not be collected nor graded. However, trying to solve them constitutes a necessary, though not sufficient, condition to pass the exams. You are strongly encouraged to work on them in small groups, provided that you contribute to the teamwork appropriately. The solutions to the problem sets will be either discussed in class, handed to you, or posted on my website. If you do not understand them, please come to my office during office hours as soon as you can, and I will do my best to explain them again.

**A few caveats**

During lectures and exams, chatting, laughing, or preventing your classmates from listening will not be tolerated.

No make up exams will be given, unless you can show me a letter from the Dean, stating the reason why you could not attend.

In the light of the Boston College policies concerning academic integrity (see <http://www.bc.edu/schools/csom/academics/undergraduate/academics/policies/>), I will enforce very strict anti-cheating rules. During an exam, you will not be allowed either to leave the classroom, or to use a graphing calculator; you will have to present proof of your identity and work only with a few pens/pencils and a calculator. Moreover, should I witness any case of cheating, I will recommend expulsion from the school, and give an “F” grade to the students involved.