

Economics 202.03 Macroeconomic Theory Fall 2004

LAST UPDATED: Tuesday, September 07, 2004

Lectures: Tuesday and Thursday, 12:00 - 1:30 PM

Location: Campion Hall 328

Professor Matteo Iacoviello

Administration Building, Room 470

Tel: 552-3689

E-mail: iacoviel@bc.edu

Web page: <http://www2.bc.edu/~iacoviel/>

Office Hours: Wednesday, 10 – 12 and by appointment

TA: Massimo Giovannini (giovanma@bc.edu)

[Course Description](#), [Textbook](#), [Grading](#), [Course Schedule](#), [Additional Information](#)

Course Description

This course covers the theory and practice of macroeconomics. Among the questions that we will answer: why are some nations rich and some other poor? What determines the inflation and the unemployment rate? How can we devise policies to improve economic performance?

[\(Back to top\)](#)

Textbook and Syllabus

[Macroeconomics, fifth edition, by Gregory N.Mankiw, Worth Publishers, 2003](#) (Chapters 1 to 17 inclusive)

[\(Back to top\)](#)

Grading

Grading will be based on:

- Mid-term exam [40%] – Tuesday 19 October 2004, 12pm
- Final exam [60%] TBA

Grading policy and related stuff:

The mid-term counts for 40% of the final mark, and will contain questions on the material that we cover until the week before the Mid-Term. If you get a grade you like, you will sit the remaining 60% of the exam in the Final exam (that is, you will not have to answer questions on the material covered in the Mid-Term). The final mark will be a weighted average of the two marks.

In borderline cases, class participation and homework will determine your grade. For instance, if your grade is A-/B+, I will consider quality of your homework and/or your class participation to decide whether you get A- or B+.

If you get a grade you do not like or you do not take the mid-term, you can sit the whole exam in December. In case you do, the mark will be just the one you get in the final exam.

The exam format is similar to the examples given below.

The 2003 Mid-Term with sketch answers is available [here](#)

The 2003 Final with sketch answers is available [here](#)

[\(Back to top\)](#)

Course Schedule

The schedule is tentative. I will update and amend it as we move on.

I will make available copies of my lecture notes shortly after each class.

[\(Back to top\)](#)

	DAY		CLASS	HOMEWORK DUE (I refer to Problems and applications in Mankiw's textbook)	CLASS SLIDES
1	Tue	7-Sep	THE SCIENCE OF MACROECONOMICS (M1)		1
2	Thu	9-Sep	THE DATA OF MACROECONOMICS (M2)		2
3	Tue	14-Sep	NATIONAL INCOME (M3)		3
4	Thu	16-Sep			4
5	Tue	21-Sep	MONEY AND INFLATION (M4)	CHAPTER 1: P3 CHAPTER 2: P4, P5, P8 CH.3: P1, P3, P4, P6, P8, P9 SOLUTIONS PS1	
6	Thu	23-Sep			5
7	Tue	28-Sep	OPEN ECONOMY (M5)		6
8	Thu	30-Sep	UNEMPLOYMENT (M6)		
9	Tue	5-Oct	GROWTH (M7, M8)	CH.4: P2, P5, P8 CH.5: P2, P3 CH.6: P1, P2, P3 SOLUTIONS PS2	7
10	Thu	7-Oct			8
11	Tue	12-Oct			
12	Thu	14-Oct		CH7: P1, P2, P3, P6 CH8: P2, P5 SOLUTIONS PS3	9
13	Tue	19-Oct	MID-TERM		
14	Thu	21-Oct	INTRO TO ECONOMIC FLUCTUATIONS (M9)		10
15	Tue	26-Oct	AGGREGATE DEMAND (M10-M11)		
16	Thu	28-Oct			11
17	Tue	2-Nov		CH9: P1, P2, P3 CH10: P1, P2, P3, P4, P5 CH 11: P1, P2, P3, P4, P6, P7, P8 SOLUTIONS PS4	
18	Thu	4-Nov	AGGREGATE DEMAND IN OPEN ECONOMY (M12)		12
19	Tue	9-Nov			
20	Thu	11-Nov	AGGREGATE SUPPLY (M13)		13
21	Tue	16-Nov*	STABILIZATION POLICY (M14)	CH 12: P2, P4, P5 CH 13: P2, P3, P6, P7 SOLUTIONS PS5	14
22	Thu	18-Nov	(review)		15

23	Tue	23-Nov	GOVERNMENT DEBT (M15)		
24	Tue	30-Nov	CONSUMPTION (M16)	QUESTIONS ON PUBLIC DEBT	16
				(click to open)	
				suggested answers: PS6	
25	Thu	2-Dec			
26	Tue	7-Dec	INVESTMENT (M17)		17
27	Thu	9-Dec		CH 16 : P2, P3	
				CH 17 : P2, P3	
				SOLUTIONS PS7	

Additional Information

The web is a terrific source of information on economic events. Here is a sparse collection of useful economic information and news.

[The Economist](#) news magazine has an excellent coverage of world economic (and political) events.

[Brad De Long's website](#) is a useful source of information on a variety of economic events in the news.

[The Economic Report of the President](#) "includes; 1) current and foreseeable trends and annual numerical goals concerning topics such as employment, production, real income and Federal budget outlays; 2) employment objectives for significant groups of the labor force; 3) annual numeric goals; and 4) a program for carrying out program objectives"

The [OECD](#) collects a comprehensive set of international [economic stastitics](#) on its member countries

Most up-to-date economic data for the US can be found at the St. Louis Fed [FRED database](#)

[\(Back to top\)](#)