

BOSTON COLLEGE

Department of Economics

EC131.05: PRINCIPLES OF ECONOMICS - MACRO Spring 2002

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Office Hours: M 9:30 - 10:45 and by appointment

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Class: MWF 11:00 - 11:50

1. Course Objectives

The main objective of the course is to introduce you to the topics and tools of Macroeconomic Theory.

2. Requirements

The required textbook is: N. G. Mankiw
Principles of Economics, 2nd Edition
Harcourt College Publishers

Not required but useful: N. G. Mankiw
Study Guide to accompany Principles of Economics
Harcourt College Publishers

Class attendance: As noted under "course requirements" in the *Boston College Catalog*, students are expected to attend class. For this course, class attendance is strongly advised as exposition will closely follow the required textbook; students who attend class will find significantly easier to understand the subject and approach the textbook. You can find class notes at <http://www2.bc.edu/~brancacc>

Problem sets: During class, I will suggest problems and exercises for you to solve at home. They will NOT be collected or graded. You are strongly encouraged to try to solve them on your own or in group. Most of the problems will be solved and discussed in class and all students will be involved. In addition, you can practice on-line quizzes visiting the web site <http://www.harcourtcollege.com/econ/mankiw>

Exams: There will be a midterm exam (around mid-March, the exact date will be decided as we go along with the program) and a final exam (in May). The midterm is 40% of the final grade, the final exam 60%. **No make up exam will be offered.** If you miss any exam (midterm or final) I require documentation from the Dean of your school to avoid a failing grade.

Academic Integrity: Be advised that cheating on any exam will not be tolerated and will result in an automatic failing grade on the exam in question. Please refer to the page on Academic Integrity in the *BC Student Handbook*.

3. Course Outline

1. The data of Macroeconomics

Ch22. Measuring a nation's income

Ch23. Measuring the cost of living

2. The real economy in the long run

Ch24. Production and growth

Ch25. Saving, Investment, and the financial system

Ch26. Unemployment and its natural rate

3. Money and prices in the long run

Ch27. The monetary system

Ch28. Money, growth and inflation

4. The macroeconomics of open economies

Ch29. Open-economy macroeconomics: basic concepts

Ch30. A macroeconomic theory of the open economy

5. Short-run economic fluctuations

Ch31. Aggregate demand and aggregate supply

Ch32. The influence of monetary and fiscal policy on aggregate demand

Ch33. The short-run tradeoff between inflation and unemployment

6. Final Thoughts

Ch34. Five debates over macroeconomic policy

4. Grading scale:

Your grade will be calculated according to the following formula:

$$(\% \text{ midterm} * 0.40) + (\% \text{ final} * 0.60) = \% \text{ total}$$

where

% midterm = (# points obtained on midterm)/(tot. points of the midterm) and

% final=(# points obtained on final)/(tot. points of the final).

Given your % total, your final grade in letter will be given according to the following table:

% final	grade
0.90 - 1.00	A
0.87 - 0.89	B +
0.80 - 0.86	B
0.65 - 0.79	C
0.50 - 0.64	D
below 0.49	Fail

If less than 15% of the class gets an A OR the mean of the % total in the class is below 0.75, then all grades will be scaled up.