

BOSTON COLLEGE
Department of Economics

EC132.03 - Spring 2004
Principles of Macroeconomics

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Class Meetings: MWF, 12:00 in Fulton 511, plus a discussion section
Office Hours: M, 1:00 – 2:30; T, 9:30-11:30; Th, 1:00 - 2:30; and by appointment
Teaching Assistants: Ms. Sabina Pogorelec and Mr. Francesco Zanetti

This course is a required course for A&S students majoring in economics and all CSOM students and also fulfills the Social Science CORE requirement. As such, its purpose is to introduce students to methods of economic analysis and to provide a survey of a variety of economic issues. There are no prerequisites other than a working knowledge of high school algebra. However, students who have not taken EC131 should read the first three chapters of the text to become familiar with the language and focus of economics.

You are responsible for the material covered in lectures and the required reading listed in the syllabus, as well as the "current events" material that will be assigned as it becomes available. The text, *Economics, 17th ed.*, by Samuelson and Nordhaus, is available in the university bookstore. (Students who need a text only for EC132, rather than for the EC131-132 sequence, should purchase the paperback *Macroeconomics*.) The news articles in the "EC132 - Current Events" folders will be available at the Reserve Desk in O'Neill and on electronic reserves.

A number of problem sets will be assigned during the semester. Completing the problem sets is optional but strongly encouraged. Extra credit points for problem sets will be added to the exam grade average; the number of points will depend on the number of problem sets that are completed and the quality of the work. A schedule of dates on which problem sets will be distributed and on which they will be due will be available at the end of the Drop/Add period. If you are not in class on the day an assignment is due, you should arrange for someone to turn it in for you; late homework will be accepted under certain conditions, but it will receive less credit. Your teaching assistant will grade the homework and return it in your discussion section. You are permitted to work together on problem sets, but you should hand in your own answers; simply copying from someone else defeats the purpose of the problems, which is to help you learn how to analyze economic issues.

The exam requirements are three mid-term exams and a comprehensive final exam. Each exam will each count for 25% in the exam grade average. You are expected to notify me immediately of any conflicts with the exam dates. Make-ups or excused absences will be granted only in limited cases and will, in general, require a letter from the infirmary, your dean, or the director of the University-organized activity in which you are participating. If you are excused from a mid-term exam, the weight of that exam will be allocated between the other exams. The exam grade for unexcused absences will be zero (0). You must take a final exam; if a make-up exam is warranted, it will be given at the convenience of the professor. Your work on exams is, of course, to be completely your own. The University policies on academic integrity, attendance, and grading, described in the *Boston College Bulletin* on pp. 31-33 and p. 37, apply. They can also be reviewed at www.bc.edu/bc_org/avp/enmgt/stserv/acd/univ.html.

SYLLABUS

<u>Date</u>	<u>Topic</u>	<u>Assignment</u>
Jan. 21	Intro to Macroeconomics	Ch. 20A
Jan. 23	Basic Aggregate Supply and Demand Model	Ch. 20B
Jan. 26	Classical vs. Keynesian View	Ch. 33A
Jan. 28	Measuring GDP	Ch. 21, pp. 434-448
Jan. 30	Price Indices	Ch. 21, pp. 448-452
Feb. 2	Consumption	Ch. 22A
Feb. 4	Investment	Ch. 22B
Feb. 6	Multiplier Model	Ch. 24, pp. 491-495
Feb. 9	Multiplier Math; Intro to Fiscal Policy	Ch. 24, pp. 496-503
Feb. 11	Fiscal Policy Multipliers	Ch. 24, pp. 503-508
Feb. 13	Open Economy Multiplier	Ch. 30, pp. 635-640
Feb. 16	Money and Interest Rates	Ch. 25A
Feb. 18	EXAM on material through Feb. 13	
Feb. 20	Banking and Money Supply	Ch. 25B
Feb. 23	More on Money Supply	
Feb. 25	Federal Reserve System	Ch. 26A
Feb. 27	Effects of Money on Output and Prices	Ch. 26, pp. 552-557
Mar. 8	Aggregate Demand	Ch. 23, pp. 483-485
Mar. 10	More on Aggregate Demand	Ch. 23, pp. 486-487; Ch. 26, pp. 558-560
Mar. 12	Concluding Remarks on Aggregate Demand	
Mar. 15	Aggregate Supply	Ch. 31A
Mar. 17	Business Cycles	Ch. 23A
Mar. 19	Unemployment	Ch. 31B
Mar. 22	Definition of Inflation	Ch. 32A
Mar. 24	EXAM on material from Feb. 16 through Mar. 19	
Mar. 26	Inflation Theory	Ch. 32B
Mar. 29	Anti-Inflation Policy	Ch. 32C
Mar. 31	Government Debt	Ch. 34, pp. 730-735
Apr. 2	Debt and Growth	Ch. 34, pp. 736-740
Apr. 5	Stabilizing the Economy	Ch. 34B
Apr. 7	Balance of Payments	Ch. 29A
Apr. 14	Exchange Rates	Ch. 29B
Apr. 16	International Monetary System	Ch. 29C
Apr. 21	The Global Economy	Ch. 30, pp. 640-651
Apr. 23	Other International Issues	Ch. 30C
Apr. 26	Economic Growth Theories	Ch. 27A; Ch. 34C
Apr. 28	EXAM on material from Mar. 22 through Apr. 23	
Apr. 30	Patterns of Growth	Ch. 27B
May 5	Growth in Less Developed Countries	Ch. 28A
May 7	Alternative Development Models	Ch. 28B
May 15	FINAL EXAM	