

BOSTON COLLEGE
Department of Economics

Ec 132.02
Principles of Economics-Macro
Spring, 2008
Devlin 008, T, Th, 1:30

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Office Hours: M 2-3, W 11-12, Th 3-4

Text: Samuelson, Paul A. and Nordhaus, William D. Economics, 18th ed., 2004 (hardcover), **or** Macroeconomics, 18th ed. 2004 (paperback).
Plus outside readings to be assigned.

Course Requirements: 2 midterm exams (30% each), on **Feb. 12** and **April 1**
a final exam (40%), on **May 10**, at **9:00 a.m.**
numerous problem sets (optional, but strongly recommended)

Course Organization and Expectations:

The course meets for two lectures per week (Tuesdays and Thursdays from 1:30 to 2:45) and on most weeks for a problem-discussion section as well. Be sure to sign up for a discussion section by Thursday, January 17. Problem sets will be handed out in class by one week before they are due and are to be turned in on the day due either just prior to class or during the five-minute break in the middle of class. Your teaching assistant will return the problem sets in the discussion sessions, will go over troublesome parts, and will respond to questions you may have on either the problem sets or material presented in the lectures or the text. Time permitting, your T.A. will expand on topics from the text not covered in the lectures.

You are expected to read the text carefully, attend all classes, work through the problem sets, and to come with questions to your discussion sessions. You may work together on the problem sets--indeed you are encouraged to do so--but you are not to simply copy the work from someone else. You are to work through your own answers before turning them in.

Your work on exams is to be entirely your own. Be sure you are familiar with the sections on "Academic Integrity" in the Boston College Catalog (pp. 35-36) or online at BCInfo, (A-Z index, Academic Integrity). Be aware that your instructor and your T.A. take this most seriously.

There will be no make-up exams. If you miss an exam for good reason, let me know immediately (my phone has voice mail in the event I am not in) and you will be graded on the other exam and the final. If you do poorly on one mid-term but consistently well on the other one and the final, the one poor exam will hurt you at most one notch. (If you have a D on one midterm, for example, but A- on the other and on the final, your grade would be a B+.)

The problem sets will be used as additional evidence for up to one notch on your grade (B to B+, etc.) If you turn in at least five out of six and they are much better than your exam scores, then they will raise your grade by one notch. If they are about the same as your exam scores, then if you are on the borderline they will move you up.

I want you to follow current press reports on output, growth, unemployment, inflation, interest rates, Federal Reserve policy, tax proposals, the budget deficit, the trade deficit, fluctuations in foreign exchange rates, and other issues of macroeconomic policy. Raise questions in class and approach me after class. Explore the internet for good sources on the state of the economy. Your text lists a number of good web sites on economic issues.

Finally, I am assuming that all of you have had a course in Principles of Economics-Micro. If you have not had this course, you will need to spend some time on material in Part I of your text. By very early in the course you will need to know the concepts of the production-possibility frontier (text, ch. 1 C) and micro supply and demand curves (text, ch. 3). (over)

Economics and the Core:

This course is designed to meet a number of needs. It is required for the economics major and of CSOM students, it is one of the choices to fulfill the social sciences CORE requirement, and it serves as an elective to anyone who wants an introduction to macroeconomics. It introduces the basic tools of macroeconomic analysis and applies these tools to problems both of historical interest and of current public policy. It explores the development of macroeconomics through the work of Keynes and post-Keynesian critics. Finally it looks at how we bring together what we learn from economics with what we learn from other fields.

		Syllabus			
	<u>Date</u>	<u>Topics</u>	<u>Text Assignment</u>		
			Hardcover	Paperback	
Jan.	15	Introduction to Macroeconomics	Ch. 20 A	Ch. 4 A	
	17	Measuring Income and Output	Ch. 21	Ch. 5	
	22	Aggregate Supply and Demand	Ch. 20 B, 33A	Ch. 4 B, 17A	
	24	Consumption, Saving, and Investment	Ch. 22	Ch. 6	
	29	The Keynesian Multiplier Model	Ch. 24 A	Ch. 8 A	
	31	Fiscal Policy	Ch. 24 B	Ch. 8 B	
Feb.	5	The Open Economy: Exports and Imports	Ch. 30 A	Ch. 14 A	
	7	Aggregate Demand vs. the Micro Demand Curve	Ch. 23B	Ch. 7 B	
	12	Exam			
	14	Money: Origins of and Demand for Money	Ch. 25 A,B	Ch. 9 A,B	
	19	Banking and the Supply of Money	Ch. 25 C	Ch. 9 C	
	21	Central Banking and Federal Reserve Policy	Ch. 26 A	Ch. 10 A	
	26	Monetary Policy: Impact on Prices and Output	Ch. 26 B	Ch. 10 B	
	28	Business Cycles	Ch. 23 A	Ch. 7 A	
	March	11	Unemployment: Measurement and Cost	Ch. 31 B	Ch. 15 B
		13	Inflation: Measurement and Cost	Ch. 32 A	Ch. 16 A
18		Sources and Kinds of Inflation	Ch. 32 B	Ch. 16 B	
25		The Phillips Curve and Inflation	Ch. 32 C	Ch. 16	
27		Productivity and Growth of Real Wages			
April	1	Exam			
	3	Fiscal Policy, Deficits, and the Public Debt	Ch. 34 A	Ch. 18 A	
	8	Deficit Spending in an Open Economy	Ch. 30 B, C	Ch. 14 B, C	
	10	Economic Growth and Aggregate Supply	Ch. 31 A, 27	Ch. 15 A, 11	
	15	Monetarism and Rational Expectations	Ch. 33 B,C	Ch. 17 B,C	
	17	Asset Bubbles and Macroeconomic Policy	Ch. 25 D	Ch. 9 D	
	22	International Finance and Exchange Rates	Ch. 29 B	Ch. 13 B	
	24	Economic Crises and the Int'l Monetary Fund	Ch. 29 C	Ch. 13 C	
	29	Policies for Growth and Stability	Ch. 34 B, C	Ch. 18 B, C	
May	1	Summary and Review			
	10	Final Exam (9:00 a.m.)			

