

Boston College
Department of Economics
EC132.06 Principles of Economics-Macro
Spring 2008

Instructor: Idil Edes
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Time and Location: MWF 11.00, Fulton 220

Office Hours: Monday 1.30-3.30 or by appointment

Text : Samuelson, Paul A.and Nordhaus William D. Economics 18th edition (hardcover),**or** Macroeconomics 18th edition (paperback)

Course Description:

This course is an introduction to the study of Macroeconomics. It is the study of the behavior of the economy as a whole with respect to output, income, the price level, foreign trade, unemployment and other aggregate economic variables. You will be acquainted with many important concepts such as inflation, interest rates, foreign exchange rates or taxation, and gain a better understanding of the state of the economy we observe every day..

I am assuming some previous knowledge of Microeconomic concepts. If you have not taken Principles of Microeconomics course then you need to review Part I of your textbook and come to see me if you have any questions.

Course Organization and Requirements:

The course meets for three lectures per week. You are expected to read the assigned chapters before the class meeting This will allow you to participate and to gain a better understanding of the topics covered in class.

You should familirize yourself with the academic integrity policy of Boston College. Please refer to www.bc.edu/integrity for more information.

The final grade will be based on the following:

	Problem sets, quizzes		extra credit	
Midterm I	25%	Feb 15th		Class Time
Midterm II	25%	April 4th		Class Time
Final	50%	May 8th		9.00 am

Problem sets and quizzes: There will be five problem sets to be completed throughout the term. They are intended to help you better understand the topics we cover in class and prepare for the final and midterm exams. You can work in groups but each person must submit her/his own copy. Please do not copy answers exactly from the book or a classmate but write them in your own words. The problem sets are not mandatory but will help you earn extra credit points applying towards your final grade. The five problem sets will add up to 10 extra credit points. (If your final grade from the two midterms and the final exam is 70/100 and you have completed all the problem sets with a perfect grade then your final grade will be 80/100). I will not accept problem sets completed after their due dates. If the attendance is poor, there will be unannounced short quizzes. They will be added to your grades from the problem sets.

Midterms: There will be two midterms on February 15th and April 4th during class time. There will be no make-up exams. If you miss any of the midterms due to a serious illness, personal emergency or other exceptional events I will attach the appropriate weight to the other midterm exam. These midterm exams will **not** be cumulative, they will only cover the topics presented since the previous exam.

Final: The final exam will be **cumulative** and is scheduled for May 8th, 9.00 am.

Syllabus

(I reserve the right to change the schedule as I see necessary)

Date	Topic	Text (Paperback)	Text (Hardcover)
W, Jan 16	General Introduction and Background	Chp 1,2,3	Chp 1,2,3
F, Jan 18	Introduction to Macroeconomics	Chp 4A	Chp 20 A
Jan 21	MARTIN LUTHER KING DAY—NO CLASSES		
W, Jan 23	Intro to Macro, Aggregate Demand, Aggregate Supply	Chp 4 A, B	Chp 20 A, B
	Hand out PS # 1		
F, Jan 25	Measuring Economic Activity	Chp 5	Chp 21
M, Jan 28	Measuring Economic Activity	Chp 5	Chp 21
	Submit PS # 1, Discuss PS # 1		
W, Jan 30	Consumption and Saving	Chp 6 A	Chp 22 A
F, Feb 1	Investment	Chp 6 B	Chp 22 B
M, Feb 4	Business Fluctuations	Chp 7 A	Chp 23 A
	Hand out PS # 2		
W, Feb 6	Foundations of Aggregate Demand	Chp 7 B	Chp 23 B
F, Feb 8	The Basic Multiplier Model	Chp 8 A	Chp 24 A
M, Feb 11	Fiscal Policy in the Multiplier Model	Chp 8 B	Chp 24 B
W, Feb 13	Submit PS # 2, Discuss PS # 2		
F, Feb 15	Midterm I		
M, Feb 18	Hand out Midterm I, Review Midterm I		
W, Feb 20	The Modern Financial System	Chp 9 A	Chp 25 A
F, Feb 22	The Special Case of Money	Chp 9 B, C	Chp 25 B, C
	Banking and the Supply of Money		
M, Feb 25	Central Banking and The Federal Reserve System	Chp 10 A	Chp 26 A
W, Feb 27	Central Banking and The Federal Reserve System	Chp 10 A	Chp 26 A
F, Feb 29	The Monetary Transmission Mechanism	Chp 10 B	Chp 26 B
	Hand out HW # 3		

Mar 3 - 8	SPRING BREAK		
M, Mar 10	Submit PS # 3, Discuss PS # 3		
W, Mar 12	The Balance of International Payments	Chp 13 A, B	Chp 29 A, B
	The Determination of Foreign Exchange Rates		
F, Mar 14	The International Monetary System	Chp 13 C	Chp 29 C
M, Mar 17	Foreign Trade and Economic Activity	Chp 14 A	Chp 30 A
W, Mar 19	International Economic Issues	Chp 14 C	Chp 30 C
	Hand out PS # 4		
Mar 20 - 24	EASTER BREAK		
W, Mar 26	The Foundations of Aggregate Supply	Chp 15 A	Chp 31 A
F, Mar 28	Unemployment	Chp 15 B	Chp 31 B
M, Mar 31	Submit PS # 4, Review PS # 4		
W, Apr 2	Midterm II		
F, Apr 4	Hand out Midterm II, Discuss Midterm II		
M, Apr 7	Inflation	Chp 16 A	Chp 32 A
W, Apr 9	Modern Inflation Theory	Chp 16 B	Chp 32 B
F, Apr 11	Modern Inflation Theory	Chp 16 B	Chp 32 B
M, Apr 14	Dilemmas of Anti-Inflation Policy	Chp 16 C	Chp 32 C
	Hand out PS # 5		
W, Apr 16	Stabilizing the Economy	Chp 18 B	Chp 34 B
F, Apr 18	Theories of Economic Growth	Chp 11 A	Chp 27 A
Apr 21	PATRIOT'S DAY, NO CLASSES		
W, Apr 23	Economic Growth in Poor Countries	Chp 12 A	Chp 28 A
F, Apr 25	Alternative Models for Development	Chp 12 B	Chp 28 B
M, Apr 28	Submit PS # 5, Discuss PS # 5		
W, Apr 30	Review Session		
Th, May 8	FINAL EXAM		