

Boston College
Department of Economics

EC132.07
Principles of Economics-Macro
Spring, 2009
Fulton 220, MWF, 12:00-12:50

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Text: N. Gregory Mankiw, *Principles of Macroeconomics* 5th ed., 2008

Course Requirements: 2 Mid-Term Exams, Feb 16th and Nov 3rd (25% Each),
1 Final Exam (40%), on May 8th at 9:00 am.
5 Problem Sets (10%)

Grading: The final grade will be assigned based on the aforementioned requirements with the weights described. The rule for final grade assignment will be 93+ (A), 90-92 (A-), 87-89 (B+), 83-86 (B), 80-82(B-), 77-79 (C+), 73-76 (C), 70-72 (C-), 67-69 (D+), 63-66 (D), 60-62 (D-).

Exams: Each exam will be assigned a score out of 100 to be used in the final grade calculation. There will be NO make-up exam, if you are unable to take either of the two Midterms or the Final, you will need to provide me with a letter from the Dean of your school excusing you from the said exam. In the case with a legitimate excuse, I will distribute the weight of the missed exam over rest of the exams.

Problem Sets: Will be graded on a check-plus, check, check-minus system. Problem Sets with at least sixty percent of the problems completed correctly contribute full credit to the problem set portion of the grade. Check-plus grades will earn consideration for bump-ups in border-line final grade cases. Check-minus grades contributes half credit to the Problem Set portion of the grade. Working together on problem sets is allowed and encouraged. However, you must turn in separate problem sets.

Course Organization and Expectations:

Lectures: There are three lectures per week every week, barring holidays or inclement weather. While there is no attendance grade for this course, attendance is required to do well on exams.

Readings: The text reading for each lecture is provided in the schedule below. When the subject dates change I will inform you accordingly. The text is a useful tool that should be read carefully, preferably before the appropriate lectures.

Integrity: While working together on problem sets is encouraged, working together on exams is forbidden. Please familiarize yourself with the “Academic Integrity” Section of the Boston College Catalog (35-36) or online at <http://www.bc.edu/integrity>.

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 also one of the choices to fulfill the social sciences CORE requirement, and it serve as an elective to anyone who wants an introduction to macroeconomics. This course studies the economy as a whole, to explain how economic events affect many households, firms, and markets simultaneously.

WebCT/Blackboard: I will be using WebCT/Blackboard to provide you with a variety of information, including handouts I will create, the problem sets, the problem set solutions, and your updated grade.

In conclusion, let me say welcome to the course. Macroeconomics is an exciting subject area that will help you better understand the world you live in. I am sure that most of you are aware of the current financial crisis and its impact on the economy as a whole. I will try to relate what we learn in class to what is going on outside class. This is probably the most interesting time to take this class.

I believe in an interactive style of teaching, I welcome questions inside and outside class. Please feel free to contact me via e-mail or stop by office hours if you have any questions about the course, economy or anything else that might interest you.

Good Luck! Here is a brief outline of the course and reading assignments.

Course Outline

A. The Data of Macroeconomics

1. Measuring a Nation’s Income (Ch.10)
2. Measuring the Cost of Living (Ch.11)

B. The Real Economy in the Long Run

3. Production and Growth (Ch.12)
4. Saving, Investment, and the Financial System (Ch.13)
5. The Basic Tools of Finance (Ch.14)
6. Unemployment (Ch.15)

C. Money and Prices in the Long Run

- 7. The Monetary System (Ch.16)
- 8. Money Growth and Inflation (Ch.17)

D. Short-Run Economic Fluctuations

- 9. Aggregate Demand and Aggregate Supply (Ch. 20)
- 10. The Influence of Monetary and Fiscal Policy on Aggregate Demand (Ch.21)
- 11. The Short-Run Trade-off between Inflation and Unemployment (Ch. 22)

E. The Macroeconomics of Open Economies

- 12. Open-Economy Macroeconomics: Basic Concepts (Ch. 18)
- 13. A Macroeconomic Theory of the Open Economy (Ch. 19)