ADEC720001 Intermediate Macroeconomics  
Fall 2015 (Three Credits) 
(Preliminary: Will be updated with additional readings in August)

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Office Hours: 5:30 – 6:15 Thursday  
Schedule (class times and day(s)): TH 6 30-9  
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Boston College Mission Statement
Strengthened by more than a century and a half of dedication to academic excellence, Boston College commits itself to the highest standards of teaching and research in undergraduate, graduate and professional programs and to the pursuit of a just society through its own accomplishments, the work of its faculty and staff, and the achievements of its graduates. It seeks both to advance its place among the nation's finest universities and to bring to the company of its distinguished peers and to contemporary society the richness of the Catholic intellectual ideal of a mutually illuminating relationship between religious faith and free intellectual inquiry.

Boston College draws inspiration for its academic societal mission from its distinctive religious tradition. As a Catholic and Jesuit university, it is rooted in a world view that encounters God in all creation and through all human activity, especially in the search for truth in every discipline, in the desire to learn, and in the call to live justly together. In this spirit, the University regards the contribution of different religious traditions and value systems as essential to the fullness of its intellectual life and to the continuous development of its distinctive intellectual heritage.

Course Description (Official)
This course covers the theory and practice of macroeconomics. The course focuses on the underlying determinants of economic growth, unemployment and inflation by developing and assessing a variety of simple models. The course will also teach the skills needed for interpreting and using macroeconomic data to formulate macroeconomic policy. A central feature of the course includes understanding the ability and limitations of policy for stabilizing the business cycle and promoting long-term growth.

Course Description (Specific)
The field of macroeconomics seeks to answer two fundamental questions:
(1) Why do some economies grow while others do not?
(2) What are the possible sources of (and solution for) economic fluctuations?
This course builds upon previous knowledge about how macroeconomists measure and analyze economic activity. Throughout our adventure, we will define, measure, and discuss the strengths and weaknesses of various economic indicators, such as output, consumption, unemployment, wages, inflation, and interest rates in order to understand how economists gauge economic activity. We will also discuss how various government policies, such as taxes, government spending, and the money supply, affect the growth and fluctuations of modern market economies.

Course Objectives
1. Develop an understanding of theories of the macroeconomic environment in an open economy;
2. Discuss the different policy options available to policymakers trying to manage national & international economies;
3. Discuss the characteristics of economic fluctuations and growth and how they affect human flourishing;
4. Examine the structure and role of fiscal and monetary policy in stabilizing the international economy.
Course Objectives Required by the Woods College of Advancing Studies

5. The student will demonstrate knowledge across cultural settings and will learn the impact of culture, gender, and age on economic growth as demonstrated by small changes in the underlying assumptions of various economic models.

6. The student will demonstrate ethical competency pertaining to government policy prescriptions as demonstrated by implementation or lack of implementation of the monetary or fiscal policy.

Grading

Celebrations of Learning and Pre-Parties: There will be two in-term Celebrations of Learning and one Ultimate Celebration of Learning, which will account for 80% of your grade. The weights are as follows:

<table>
<thead>
<tr>
<th>HOME EXCITEMENTS, PRE-PARTIES, and CELEBRATIONS OF LEARNING</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Parties</td>
<td>10%</td>
</tr>
<tr>
<td>Mid-term Celebration of Learning</td>
<td>40%</td>
</tr>
<tr>
<td>Ultimate Celebration of Learning</td>
<td>50%</td>
</tr>
</tbody>
</table>

Celebrations of Learning: There will be one mid-term Celebrations of Learning and one Ultimate Celebration of Learning. These Celebrations will consist of multiple-choice, short answer, and essay questions. All Celebrations will be cumulative and comprehensive, with emphasis placed on the material presented after the previous Celebration. Only four function calculators are acceptable. No make-ups for the in-term Celebrations will be given. If you miss the mid-term Celebration, its weight will automatically shift to Ultimate Celebration at no penalty to you. No Celebration of Learning grades will be dropped. If you choose to participate in the mid-term Celebration of Learning, the grade you receive will become part of your average for the class. All will partake in the Ultimate Celebration of Learning.

Pre-Parties: (PrP) are short in-class or take home assignments and will consist of both essay and multiple-choice questions. Pre-Parties will consist of both individual and group work. In class assignments will be 10-20 minutes. Take home assignments should take anywhere from 30-45 minutes. The lowest Pre-Party grade will be dropped. These will give you (and me) an idea of how well you understand the material.

Grading: Because each class and assignment is unique, the grading scale may vary. This is a rough idea of the scale you can expect:

85 - 100 = A  
70 – 84 = B  
55 – 69 = C  
45 – 54 = D  
< 45 = F

The actual grading scale will be determined only at the end of the semester.

WCAS Grading System

The undergraduate grading system consists of twelve categories: A (4.00), A- (3.67), excellent; B+ (3.33), B (3.00), B- (2.67), good; C+ (2.33), C (2.00), C- (1.67), satisfactory; D+ (1.33), D (1.00), D- (.67), passing but unsatisfactory; F (.00), failure; I (.00), incomplete; F (.00), course dropped without notifying office; W (.00), official withdrawal from course. The graduate grading system is A (4.00), A- (3.67), Excellent; B+ (3.33), B (3.00), good; B- (2.67), C (2.00), passing but not for degree credit; F (.00), failure.

Grade Reports

All students are required to log into the web through Agora to access their semester grades. Students must utilize their BC username and password to log on. If your username or password is not known the HELP Desk located in the Campus Technology Resource Center (CRTC) in O’Neill Library will issue a new one. The CRTC requires a valid picture ID (a BC ID, driver’s license or passport) to obtain your password.
Text(s)/Readings (Required)
Readings: Additional Readings are listed in the calendar below and will be provided through the website. Those marked with (**) are required. Those marked with (*) are supplementary, recommended resources. I reserved the right to add a small number of additional readings in response to class interest.

Important Policies
http://www.bc.edu/content/bc/schools/advstudies/guide/academicinteg.html

Written Work
Graduate and undergraduate students are expected to prepare professional, polished written work. Written materials must be typed in the format required by your instructor. Strive for a thorough, yet concise style. Cite literature appropriately, using APA, MLA, CLA format per instructors decision. Develop your thoughts fully, clearly, logically and specifically. Proofread all materials to ensure the use of proper grammar, punctuation, and spelling. You are encouraged to make use of campus resources for refining writing skills as needed [http://www.bc.edu/libraries/help/tutoring.html].

Scholarship and Academic Integrity
It is expected that students will produce original work and cite references appropriately. Failure to reference properly is plagiarism. Scholastic dishonesty includes, but is not necessarily limited to, plagiarism, fabrication, facilitating academic dishonesty, cheating on examinations or assignments, and submitting the same paper or substantially similar papers to meet the requirements of more than one course without seeking permission of all instructors concerned. Scholastic misconduct may also involve, but is not necessarily limited to, acts that violate the rights of other students, such as depriving another student of course materials or interfering with another student’s work.

Request for Accommodations
If you have a disability and will be requesting accommodations for this course, please register with either Dr. Kathy Duggan (dugganka@bc.edu), Associate Director, Connors Family Learning Center (learning disabilities or AHD) or Dean Paulette Durrett, (paulette.durrett@bc.edu), Assistant Dean for students with disabilities, (all other disabilities). Advance notice and appropriate documentation are required for accommodations. For further information, you can locate the disability resources on the web at http://www.bc.edu/content/bc/libraries/help/tutoring/specialservices.html.

Attendance
Class attendance is an important component of learning. Students are expected to attend all classes and to arrive by the beginning of and remain for the entire class period. When an occasion occurs that prevents a student from attending class, it is the student’s obligation to inform the instructor of the conflict before the class meets. The student is still expected to meet all assignment deadlines. If a student knows that he or she will be absent on a particular day, the student is responsible for seeing the instructor beforehand to obtain the assignments for that day. If a student misses a class, he or she is responsible for making up the work by obtaining a classmate's notes and handouts and turning in any assignments due. Furthermore, many instructors give points for participation in class. If you miss class, you cannot make up participation points associated with that class. Types of absences that are not typically excused include weddings, showers, vacations, birthday parties, graduations, etc. Additional assignments, penalties and correctives are at the discretion of the instructor. If circumstances necessitate excessive absence from class, the student should consider withdrawing from the class. In all cases, students are expected to accept the decision of the instructor regarding attendance policies specific to the class.
Consistent with our commitment of creating an academic community that is respectful of and welcoming to persons of differing backgrounds, we believe that every reasonable effort should be made to allow members of the university community to observe their religious holidays without jeopardizing the fulfillment of their academic obligations. It is the responsibility of students to review course syllabi as soon as they are distributed and to consult the faculty member promptly regarding any possible conflicts with observed religious holidays. If asked, the student should provide accurate information about the obligations entailed in the observance of that particular holiday. However, it is the responsibility of the student to complete any and all class requirements for days that are missed due to conflicts due to religious holidays.

There may be circumstances that necessitate a departure from this policy. Feel free to contact the WCAS at 617-552-3900 for consultation.

**Course Assignments**

It is expected that 6 hours per week of your study time will be spent on out of class reading assignments and exercises. These are listed below. Please note that some weeks will require more time and some weeks less time but the average is approximately 6 hours per week over the semester.

**Course Outline:** The following is an outline of the course, including lecture topics and scheduled assignments.

NOTE 1: All chapter numbers refer to chapters in Jones.

NOTE 2: Additional readings marked with (**) are required. Those marked with an (*) are supplementary, recommended resources.

NOTE 3: Reading assignments may be changed at any time. I will announce any changes in class or via email.

NOTE 4: Celebrations of Learning dates are shown in boldface.

I reserve the right to make adjustments to the syllabus at any time during the course.
September 3
Introduction to Macroeconomics
Jones 1 & 2


"Symposium: Macroeconomics after the Financial Crisis", *Journal of Economic Perspectives (JEP)*, Volume 24, No. 4, Fall 2010, pages 3-102. (Articles by Robert H. Hall, Michael Woodford, Lee E. Ohanian; Andreas Fuster et al., and Ricardo J. Caballero)

Note: The JEP is freely available to all online. To access JEP articles, visit [here](https://www.aeaweb.org/articles.php?doi=10.1257/jep.24.4)


September 10
Overview of Long-Run Economic Growth
Jones 3 & 4


*Why Does 1% of History Have 99% of the Wealth?: Prof. Deirdre McCloskey explains her hypothesis on why average wages—and standards of living—began to rise dramatically around 1800.


September 17
The Solow Growth Model
Jones 5


September 24
Growth and Ideas
Jones 6


October 1
Growth and Ideas
Jones 6 (con’t)

October 8
The Labor Market, Wages, and Unemployment
Jones 7 & 8
**Panel Discussion on Thomas Piketty's Capital in the 21st Century, Participants: Thomas Piketty, Bob Solow, Betsy Stevenson, Josh Bivens, Heather Boushey (moderator)(Video)
**Kenneth Rogoff, "Where is the Inequality Problem?", New York Times, 8 May 2014,
**Lawrence H. Summers, "The Inequality Puzzle", 2014 (9pp.)

October 15
Mid-term (All-to-date)

October 22
An Introduction to the Short Run
Jones 9, 10, & 11

October 29
Stabilization Policy
Jones 12, 13, & 14

November 5: Commanding Heights Episodes 1 & 3

November 12
DSGE Models: The Frontier of Business Cycle Research
Jones 15

November 19
Micro-foundations
Jones 16 & 17
December 3
The Government and the Macroeconomy
Jones 18

December 10
Alternative Thoughts and Questions
Jones 21
**Garrison, Roger. Austrian Capital Theory: Keynes versus Hayek:
http://www.auburn.edu/~garriro/kandh.ppt

December 17: Ultimate Celebration of Learning (All-to-date)