I. COURSE DESCRIPTION

This course focuses on the aggregate behavior of households, firms and the government. Topics covered include gross domestic product, national income, economic growth, unemployment, inflation, the business cycle, fiscal policy and monetary policy, and international trade.

II. LEARNING OBJECTIVES

Upon successful completion of the course, the student should be able to demonstrate a basic understanding of news relating to the economy as a whole as reported in various publications as The Wall Street Journal; the economic implications of changes in government fiscal or monetary policy; how interest rates are determined and the role of interest rates in personal and corporate decision-making; and critically apply economic concepts when participating as a citizen in a democratic society. In particular, the students should be able to calculate equilibrium national income levels, calculate and use various multipliers, convert nominal values to real values, and use a graph to explain the impact of changes in fiscal and/or monetary policy on income and price levels. In addition, students should be able to use simple models of international trade to study the flow of goods between countries and discuss the costs of protectionism within the context of such models.

III. APPLICATION OBJECTIVES

This course is designed to mix basic economic theory with useful knowledge regarding how the actual economy operates. Students will obtain a better understanding regarding how the price of gas is determined and why it fluctuates, what influences the rate of interest on credit card purchases or on your student loans, and how the proposed solutions for helping the U.S. economy recover from a recession are expected to work and where they may be inefficient.

IV. PREREQUISITES

None.
V. TEXTBOOK AND COURSE RESOURCES

Required Textbook:


Additional Readings:

1. Wall Street Journal
2. The Economist

VI. EVALUATION OF STUDENT PERFORMANCE

Course requirements will be weighted as follows in the determination of final grades:

<table>
<thead>
<tr>
<th>Events</th>
<th>Approximate dates</th>
<th>Grade Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAM # 1</td>
<td>February 23, (Tuesday)</td>
<td>25%</td>
</tr>
<tr>
<td>EXAM # 2</td>
<td>April 5, (Tuesday)</td>
<td>25%</td>
</tr>
<tr>
<td>FINAL EXAM</td>
<td>TBA</td>
<td>30%</td>
</tr>
<tr>
<td>ASSIGNMENTS</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>CLASS ATTENDANCE</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>AND PARTICIPATION</td>
<td></td>
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</tbody>
</table>

These dates are subject to change.

These exercises will be cumulative, though emphasis will be placed on the more recent material covered. Regardless of your aggregate numeric grade, a minimally satisfactory score is required on each exam.

Note: All exams and quizzes will be held in the regular classroom.

EXAMS:
There will be three in-class exams during the term. There will be two hourly exams of approximately 75 minutes in length. The final exam (not comprehensive) will be approximately 120 minutes. These exams will test your understanding of the core material.

ASSIGNMENTS
10% of your grade will be assigned to assignments. Assignments will be based on MyEconLab homework exercises.

CLASS ATTENDANCE AND PARTICIPATION
Since student participation in class discussions is an important part of the course, 10% of your grade will be assigned to student attendance and participation. Your grades will be determined by your attendance and participation in discussion sections.
VII.grades

Credit will be determined by assigning a numerical value to each category, corresponding to 100%. Final grades will be calculated by multiplying the relative weights by the achievement earned for each category. Letter grades will be assigned as follows:

- A: At least 94 percent of the possible points in the class
- A-: 90 to 93 percent of the possible points in the class
- B+: 87 to 89 percent of the possible points in the class
- B: 83 to 86 percent of the possible points in the class
- B-: 80 to 82 percent of the possible points in the class
- C+: 77 to 79 percent of the possible points in the class
- C: 73 to 76 percent of the possible points in the class
- C-: 70 to 72 percent of the possible points in the class
- D+: 67 to 69 percent of the possible points in the class
- D: 63 to 66 percent of the possible points in the class
- D-: 60 to 62 percent of the possible points in the class
- F: Fewer than 60 percent of the possible points in the class

I reserve the right to lower this scale at any time--for example, I may determine that 93 points should be an A. I will not raise it.

VIII. course organization and expectations

Course Structure: Class sessions will consist primarily of lectures and review of problems. All new material will be presented to you either during the lectures or in the reading assignments. You are responsible for all such material. Attendance is mandatory. Each student is responsible for any announcement made in class.

Discussion Sections: Each student is required to attend one weekly discussion section.

Exams: There will be three in-class exams (two hourly exams and final exam). The exams will cover materials covered in class as well as assigned in readings and homework problems.

Policy on Missed Exams: Any missed exam will receive a grade of zero unless a written excuse is submitted from the Office of Class Deans. In all but the most extreme emergencies, these excuses must be submitted in advance of the missed exam.

Problem Sets: The best way to learn economics and finance is by solving problems. There will be weekly problem sets throughout the course. Although these are not to be collected and graded, you are expected to do these in a timely manner, as they are integral to the course design. I urge you to do most problems. They are designed to help you study for the exams. It is therefore in your best interest to work on them thoroughly. Some class time may be devoted to the review of problems.
We will be covering a fair amount of material in a limited amount of time. Also, the development of the material will be cumulative -- it will build upon itself -- so don't let things get behind. Feel free to stop me at any point to ensure that you understand before moving on. Ask questions and visit in my office during my office hours (TTh 12:15PM-1:15PM). You can also make an appointment for other days or time. I expect each of you to drop-in before too long (or too late).

Before class, you should review previous material and skim the text to get an idea of the material to be covered in class. During class you should take good notes, ask questions if there is any point, which is not clear. You should encourage and engage in discussion when it seems appropriate. After class, you should review your notes, read the appropriate text material, and prepare a list of anything you need clarified. **So class attendance is extremely important and active participation in class is strongly encouraged.**

**Class Participation:** Class interaction is very important for all of us to gain the most from the course. You can expect both the quality and frequency of your contributions to be considered in your overall grade.

**Attendance and Norms of Civility:** Regular class attendance is strongly recommended. If you must miss a class, please telephone or e-mail me in advance. Please note that I will be tracking participation performance in each class. Repeated absences can significantly impact your final grade for the course.

In order to maintain a classroom environment, which is pleasant and conducive to learning, certain modes of conduct will be expected to be followed by all students in this class.

1. Tardiness is considerably distracting to your classmates; therefore all effort should be made to arrive on time.
2. Limited amounts of liquid refreshments are all right, but eating a meal at your desk is not acceptable conduct. It is inconsiderate and distracting.
3. Laptops, cell phones, beepers, pagers, or any type of signaling device are not permitted in class.
4. We do realize that your classes are lengthy and there is limited space in the rest rooms to be used during breaks, but frequent coming and going during the class is discouraged.
5. Do not leave trash behind in the classroom when you leave nor write on furniture.
6. Refrain from prematurely closing books and notebooks before class ends. This is impolite and distracting to people around you.
7. It is expected that your conduct in class show respect to others in several ways:
   a. No use of profanity
   b. Interrupting others is not acceptable conduct
   c. Respect of others can be shown by listening to their comments and answers, as you would expect them to pay attention to your remarks.
IX. ACADEMIC INTEGRITY

The academic enterprise at Boston College assumes academic integrity, which in this course means that all your work on your exams and your paper is your own, and that you appropriately reference the work of others in your paper. Always err on the side of citation! Note that cellular phones and other electronic devices are to be turned off during exams. Also students are not allowed to carry their cellular phones when they go to the restroom during exams. Violations of academic integrity will be reported to your class dean and then reviewed by the College of Arts and Sciences Academic Integrity Committee. Consequences can be very serious. I urge you to review university policy and procedures at: http://www.bc.edu/offices/stserv/academic/integrity.html. If you have any questions, please consult with me.

X. ACCOMMODATIONS FOR DISABILITIES

If you have a disability and will be requesting accommodations for this course, please register with either Kathy Duggan (Kathleen.duggan@bc.edu) Associate Director, Academic Support Services, the Connors Family Learning Center (learning disabilities and ADHD) or Paulette Durrett (paulette.durrett@bc.edu), Assistant Dean for Students with Disabilities (all other disabilities). Advance notice and appropriate documentation are required for accommodations.
## XI. SPRING SEMESTER 2016 ACADEMIC CALENDAR

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 18</td>
<td>Monday</td>
<td>Martin Luther King, Jr. Day — No classes</td>
</tr>
<tr>
<td>January 19</td>
<td>Tuesday</td>
<td>Classes begin</td>
</tr>
<tr>
<td>January 27</td>
<td>Wednesday</td>
<td>Last date for graduate students to add a course or drop a course online</td>
</tr>
<tr>
<td>January 27</td>
<td>Wednesday</td>
<td>Last date for undergraduate students to add a course or drop a course or to declare a course pass/fail online</td>
</tr>
<tr>
<td>January 27</td>
<td>Wednesday</td>
<td>Last date for all students who plan to graduate in May 2016 to verify their diploma names online</td>
</tr>
<tr>
<td>February 15</td>
<td>Monday</td>
<td>Last date for undergraduates only to drop a course or to declare a course pass/fail in the Associate Deans’ office</td>
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<tr>
<td>March 7 to</td>
<td>Monday to Friday</td>
<td>Spring Vacation</td>
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<tr>
<td>March 11</td>
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<tr>
<td>March 17</td>
<td>Thursday</td>
<td>Undergraduate Academic Advising period begins for fall registration</td>
</tr>
<tr>
<td>March 24 to</td>
<td>Thursday to Monday</td>
<td>Easter Weekend—No classes on Holy Thursday and Good Friday. No classes on Easter Monday except for those beginning at 4:00 p.m. and later.</td>
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<tr>
<td>March 28</td>
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<tr>
<td>April 1</td>
<td>Friday</td>
<td>Last date for master’s and doctoral candidates to submit signed and approved copies of theses and dissertations for May 2016 graduation</td>
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<tr>
<td>April 13</td>
<td>Wednesday</td>
<td>Graduate/CASU registers</td>
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<tr>
<td>April 14</td>
<td>Thursday</td>
<td>Undergraduate registration period for fall 2016 begins</td>
</tr>
<tr>
<td>April 18</td>
<td>Monday</td>
<td>Patriot’s Day — No classes</td>
</tr>
<tr>
<td>April 19</td>
<td>Tuesday</td>
<td>Last date for official withdrawal from a course or from the university</td>
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<tr>
<td>May 2</td>
<td>Monday</td>
<td>Last date for all students who plan to graduate in August 2016 to verify their diploma names online</td>
</tr>
<tr>
<td>May 6 to</td>
<td>Friday to Monday</td>
<td>Study days—No classes for undergraduate day students only</td>
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<tr>
<td>May 9</td>
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<tr>
<td>May 10 to</td>
<td>Tuesday to Tuesday</td>
<td>Term examinations</td>
</tr>
<tr>
<td>May 17</td>
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<td></td>
</tr>
<tr>
<td>May 23</td>
<td>Monday</td>
<td>Commencement</td>
</tr>
</tbody>
</table>
XII. READING SCHEDULE

I. Introduction
1. Economics: Foundations and Models
2. Trade-offs, Comparative Advantage, and the Market System
3. Where Prices Come From: The Interaction of Demand and Supply
5. The Economics of Health Care (optional)

II. Firms in the Domestic and International Economies
6. Firms, the Stock Market, and Corporate Governance (optional)
7. Comparative Advantage and the Gains from International Trade (optional)

III. Macroeconomic Foundations and Long-Run Growth
8. GDP: Measuring Total Production and Income
9. Unemployment and Inflation
10. Economic Growth, the Financial System, and Business Cycles
11. Long-Run Economic Growth: Sources and Policies

IV. Short-Run Fluctuations
12. Aggregate Expenditure and Output in the Short Run
13. Aggregate Demand and Aggregate Supply Analysis

V. Monetary and Fiscal Policy
14. Money, Banks, and the Federal Reserve System
15. Monetary Policy
16. Fiscal Policy
17. Inflation, Unemployment, and Federal Reserve Policy

VI. The International Economy
18. Macroeconomics in an Open Economy
19. The International Financial System