EC 132: Macroeconomic Principles  
(3 Credits) Summer 2013  
Boston College, Department of Economics

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Schedule (class times 7 day(s): Tuesday & Thursday 6:15-9:15 pm  
Room: Gasson 202

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  
This course is designed to introduce classic macroeconomic issues such as growth, inflation,  
unemployment, interest rates, exchange rates, technological progress, and budget deficits. The  
course will provide a unified framework to address these issues and to study the impact of different  
policies, such as monetary and fiscal policies, on the aggregate behavior of individuals.  
Introduction to the theory of income determination, national income analysis and international  
trade and finance; the role of labor and capital in aggregate economic activity; problems of  
unemployment and inflation; functioning and impact of the monetary systems. These analytical  
tools will be used to understand the recent experience of the United States and other countries and  
to address how current policy initiatives affect their macroeconomic performance.

Course Objectives  
Upon the successful completion of this course, students will know/understand

1. Two central themes in Macroeconomics; the short-run fluctuations in output, employment,  
financial conditions and prices (business cycles) and the long term trends in output and  
living standards known as economic growth.
2. The world of macroeconomic decisions and their impact on society.
3. The instruments of fiscal and monetary policy and how to identify their results in the  
economy.
4. Current US economic policies and trends, in comparison with economic policies in the  
past.

Grading  
Midterm Exam (May 30th) 30%  
Final Exam (June 20th) 50%  
Problem Sets (weakly) 20%
Text(s)/Readings

Principles of Economics, N. Gregory Mankiw, Sixth Edition (Required)
Principles of Macroeconomics, Richard Tresch (supplementary)

Problem Sets

There will be five problem sets during the course. Each problem set will consist of 8-10 questions. However I am going to choose two random questions among them and just grade them.

Important Policies

Academic Integrity
Your work on exams is to be entirely on your own. Be sure to familiarize yourself with the academic integrity policies at Boston College, a description of which can be found at http://www.bc.edu/integrity

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. http://www.bc.edu/content/bc/libraries/help/tutoring/specialservices.html

Attendance
Attendance is not mandatory but expected. 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.

Course Outline

| The Market Forces of Supply and Demand | Mankiw-Chapter 4 |
| Supply, Demand and Government Policies | Mankiw-Chapter 5 |
| The Data of Macroeconomics | Mankiw-Chapters 23 and 24 |
| The Economy in the Long Run: Production and Growth | Mankiw-Chapter 25 |
| Saving, Investment and Financial Systems (Long-Run) | Mankiw-Chapter 26 |
| Unemployment | MankiwChapter 28 |
| Money and Prices in the Long Run | Mankiw-Chapters 29 and 30 |
| Short Run Economic Fluctuations | Mankiw-Chapters 33,34 and 35 |
| The Macroeconomics of Open Economies | Mankiw-Chapters 31 and 32 |