

# Economics 1132.03: Principles of Macroeconomics

Spring 2017

TTh 1:30-2:45, Devlin 008

Professor: Sam Richardson

[sam.richardson@bc.edu](mailto:sam.richardson@bc.edu)

(Please CC your TA on e-mails)

Office hours: Fridays 1-3

or by appointment

Maloney 314

## Course Overview

This is an introductory course in macroeconomics, which is the study of the national (and international) economy as a whole. The course is designed to teach you to be informed consumers of macroeconomic data and news stories, and to think critically about macroeconomic policy. Some questions we will investigate in the course include:

Why are some countries rich while other countries are poor?

How does the financial system work, and why is it important to the economy as a whole?

What is money, and how does monetary policy affect the economy?

What policies affect a country's trade balance and currency exchange rates?

Where do short-run economic fluctuations come from, and what is the short-run tradeoff between inflation and unemployment?

*Prerequisites:* I will assume no prior background in economics, but I expect you to be comfortable with high school algebra and geometry. There will be an online math and graphing assessment due early in the class, which will give a sense of the level of math background I expect.

## Readings and Assignments

The textbook for the course will be *Brief Principles of Macroeconomics, 8<sup>th</sup> edition*, by N. Gregory Mankiw. We will be using MindTap for problem sets and other assignments; you can access MindTap through the course Canvas site.

Course Requirements and Grading (percentages add to 105%; I will drop the lowest 5%)

**10% Gapminder World video assignment**

To be posted on YouTube by 11:59pm on Friday, February 17. You will work in a small group to create a short (*no more than 6 minutes!*) video in which you tell the story behind some aspect of a [Gapminder World](#) graph.

**15% MindTap problem sets and other assignments**

Problem sets are worth a relatively small portion of your grade, but they are the best way to learn the material. It will be difficult to succeed on the exams without completing the problem sets. For the most part, problem sets will be due weekly on Fridays at 4pm throughout the semester.

You are encouraged to work in small groups on problem sets, but note that you will not have the exact same problem set questions as your classmates. Late assignments will not be accepted for any reason, but your lowest two problem set grades of the semester will be dropped.

**40% Midterm exams**

In-class, closed-book exams, dates TBA. You will be allowed one letter-sized sheet of notes, and may use a standard (non-graphing) calculator or a calculator app on your phone (which must be in airplane mode). Make-up midterm exams will not be given: if you miss one of the midterm exams, your final exam will count as 50% of your grade.

**30% Final exam**

Tuesday, May 9, 12:30pm. In-class, closed-book exam covering material from the entire semester (with somewhat of an emphasis on post-midterms material). You will be allowed three letter-sized sheets of notes, and may use a standard (non-graphing) calculator or a calculator app on your phone (which must be in airplane mode). Make-up final exams will only be given in extraordinary circumstances.

**10% Discussion section participation**

Weekly discussion sections are required. Grading will be based primarily on attendance, but thoughtful participation will also be rewarded.

### 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.

### Academic Integrity

Students are encouraged to work together on problem sets and the Gapminder assignment. Any outside sources used for the Gapminder assignment must be cited appropriately in your written transcript. Please familiarize yourself with the university's policy on academic integrity, available at [www.bc.edu/integrity](http://www.bc.edu/integrity). Any violations of the standards of academic integrity will be reviewed by the Committee on Academic Integrity. Depending upon the seriousness and circumstances of the violation, possible penalties include a failing grade, university probation, suspension, or expulsion.

Course Schedule: tentative and subject to change

<u>Date</u>	<u>Topics</u>	<u>Mankiw</u>
Jan 17	The wealth and health of nations	
19	Three central macroeconomic principles Gross Domestic Product	Ch. 1.3 Ch. 5
24	Inflation and the cost of living	Ch. 6
26	Supply and demand	Ch. 4
31	Supply and demand experiment	
Feb 2	Productivity	Ch. 7.1-7.2
7	Economic growth and public policy	Ch. 7.3-7.4
9	U.S. financial institutions and the roles they play	Ch. 8.1-8.2
14	The market for loanable funds	Ch. 8.3-8.4
16	Unemployment	Ch. 10.1-10.2
21	Reasons for unemployment	Ch. 10.3-10.6
23	Money and the Federal Reserve	Ch. 11.1-11.2
28	Banks and bank reserves	Ch. 11.3-11.5
Mar 2	<i>Midterm exam #1: covers material through Feb. 21 (Ch. 10)</i>	
14	Inflation	Ch. 12.1
16	The costs of inflation	Ch. 12.2-12.3
21	International trade	Ch. 13.1
23	Exchange rates	Ch. 13.2-13.4
28	Equilibrium in the open economy	Ch. 14.1-14.2
30	Policies affecting the open economy	Ch. 14.3-14.4

Apr	4	Short-run economic fluctuations	Ch. 15.1-15.2
	6	Aggregate demand and aggregate supply	Ch. 15.3-15.6
	11	Monetary policy and aggregate demand	Ch. 16.1
	13	<i>Holy Thursday: no class</i>	
	18	Fiscal policy and aggregate demand	Ch. 16.2-16.4
	20	<i>Midterm exam #2: covers material through Mar. 30 (Ch. 11-14)</i>	
	25	The short-run trade-off between inflation and unemployment	Ch. 17
	27	Fixed vs. flexible prices: in-class experiment	
May	2	Ongoing macroeconomic debates	18 (optional)
	4	Course review	
	9	<i>12:30pm: Cumulative final exam</i>	