

Boston University
CAS EC 202 Intermediate Macroeconomic Analysis
Alberto Ortiz
Spring 2007

Schedule: Monday, Wednesday, and Friday 2:00pm-3:00pm, CAS314.

Office Hours: Monday 9:00am - 12:00pm.

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Course Web Page: The class material (syllabus, lecture notes, announcements, problem sets, additional readings) will be posted on Course Info. In order to access the course web page you can go to <http://courseinfo.bu.edu/courses/> You will be asked to login. Use your BU username and Kerberos password. You can also access the web page directly through Student Link (click the course button).

Course Overview: The objective of this course is to give you the tools to understand the factors and mechanisms that determine a society's standard and cost of living. First, we will review the main concepts and data of macroeconomics: national income, price level, and employment. Once we refresh these topics, we will take a classical approach and assume that prices are flexible to learn how these variables are determined in the long run. After this, we will develop an intertemporal analysis to understand the process of economic growth. Later, we will deviate from the classical approach and assume that in the short-run some prices are rigid to analyze economic fluctuations and stabilization policy. We will cover two chapters that go deeper on the microeconomics behind consumption and investment determination. We will finish with an overview of open economy macroeconomics.

Prerequisites: CAS EC 102 Introductory Macroeconomic Analysis.

Textbook: N. Gregory Mankiw, 2007. *Macroeconomics*, 6th edition, Worth Publishers. It is acceptable to use the previous edition as the main content of the book has not changed, however you will be responsible for all the material covered in class.

Attendance: You are required to attend all classes and will be responsible for everything covered in class.

Grading: Your grade will be determined as follows:

- Homework (15%)
- 2 Midterm Exams (25% each)
- Final Exam (35%)

Homework: There will be homework assignments during the semester. The main objective of the homework is to help you to review the material covered in class. Please observe the assignment deadline as no late homework is accepted.

Exams: The first midterm exam will be held during class time on Wednesday, February 21. The second midterm will be held during class time on Wednesday, April 4. According to the Registrar Office our final exam will take place on Saturday, May 12 from 9:00 to 11:00am. Please plan your activities around exam dates because make up exams are only given in case of officially documented medical or immediate-family emergencies.

Academic Conduct: It is your responsibility to know and understand the provisions of the CAS Academic Conduct Code (copies are available in CAS Room 105). Cases of suspected academic misconduct will be referred to the Dean's Office, and will receive a zero grade.

Disclaimer: The contents of this syllabus and of the following tentative outline are subject to change. All modifications will be posted under the course website and/or announced in class.

Course Outline

Part 1 Introduction

Chapters 1 and 2.

Part 2 Classical Theory: The Economy in the Long Run

Chapters 3,4, and 6.

Part 3 Growth Theory: The Economy in the Very Long Run

Chapters 7 and 8.

Part 4 Business Cycle Theory: The Economy in the Short Run

Chapters 9,10,11, and 13.

Part 5 Macroeconomic Policy Debates

Chapters 14 and 15.

Part 6 The Microeconomics Behind Macroeconomics

Chapters 16 and 17.

Part 7 Open Economy Macroeconomics

Chapters 5 and 12.