Course Description and Reading Assignment

This course provides an extension and elaboration of your previous introduction to macroeconomics. It has a big payoff -- you’ll learn most of what economists know about the macro economy. The course covers economic growth, the supply of labor and capital to the economy, fiscal and monetary policy, Keynesian and other explanations of the business cycle, international trade, exchange rates and exchange rate policy, the nature of unemployment, the banking system, the role of the central bank in creating money, credit market imperfections, and firms’ investment behavior.

The goal is to put you on the frontier of modern macroeconomic knowledge and research. The method is to use a single model – the life-cycle growth model – to consider all the key issues in macroeconomics and their interrelationships.

Reading Assignment

The required texts are 1) the second edition of Macroeconomics - An Integrated Approach, written by myself and Alan Auerbach, a Professor of Economics at the University of California, Berkeley; 2) Study Guide to Macroeconomics – An Integrated Approach written by Debra Moore Patterson and 3) The Coming Generational Storm written by myself and Scott Burns, Dallas Morning News personal finance columnist. All three books are available in the BU book store. These texts are the only items you will be required to read. I will occasionally post articles I’d like you to read on my website, which is http://econ.bu.edu/kotlikoff
My goal is to cover a chapter of the book each week. The reading assignment for the first week is Chapter 1; the reading assignment for the second week is Chapter 2, etc. We may go slower or faster than a chapter a week, so I will keep you posted in class on which chapter you should be reading. Each chapter builds on the previous chapter.

Teaching Assistants, Section Meetings, and Problem Sets
We will have an excellent teaching assistant, Chien-Yan Sher, who will be responsible for grading problem sets as well as the midterm and final exams. Chien-Yan Sher's office is in the basement of the Economics Dept. building (SSW located at 264 Bay State Rd.) in room B23. His telephone number is 353-4056, and his email address is cysher@bu.edu. His office hours will be announced shortly. Any complaints about grading must be taken up with the teaching assistant before I will consider them. The teaching assistant will conduct section meetings periodically.

The time and location of sections will be announced shortly. You are expected to attend the sections. The sections will review answers to the problem sets and midterm, answer questions that you may have, and present additional analysis of course material. The problem sets for each chapter are the numerical and analytical questions found in the Study Guide for that chapter. The first problem set is due on Thursday, September 14th.

Examinations and Grades
The course will have midterm and final exams. Each problem set will be graded based on effort, not whether you answered the questions perfectly correctly. You are free to work with your classmates on the problem sets. The grades for problem sets will account for 20 percent of your final grade. Problem sets handed in late, without a medical or other reasonable excuse, such as a religious holiday, will receive lower grades. The midterm will account for 35 percent of your final grade, and the final will account for 45 percent.

The midterm will be held in class on Thursday, October 26. The final exam will be held on Saturday, December 16, 3-5:00 pm.

While you are strongly encouraged to collaborate with your classmates on the problem sets as well as to study for the exams, no collaboration of any kind is permitted during exams. The CAS Academic Conduct Code is available for your perusal at CAS 105. Any suspected academic misconduct will be reported to the Dean’s office.

Class Attendance and Requirements
Class attendance is required. Failure to attend classes without medical excuses will have a very negative repercussion on your final grade. I will be taking attendance periodically, and I take attendance very seriously.

Math Requirement
The course involves a modicum of 10th-grade algebra. Page 82 of the text reviews all the algebra used in the course. Each of you will need a hand calculator that takes
exponents. While some calculus will occasionally be used in class as an additional method for showing particular theoretical relationships, knowledge of calculus is not a pre-requisite for the course, nor will the exams or other course work require knowledge of calculus.

Office Hours:
My office hours are 2-3:00pm Tuesdays, Wednesdays and Thursdays, or by appointment. My office is Room 300, 264 Bay State Rd. My office phone is 353-4002. The teaching assistant's office hours will be announced.

Using Email
I receive a lot of email, so please try to see me after class to set up an appointment if you can't make office hours, rather than sending me email.