

SYLLABUS FOR EC102 A1

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Summer 2007 (May 22-June 27)

Introductory Macroeconomic Analysis

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Class meets: Mon, Tue, Wed 6:00pm 8:30p.m., in CAS 223
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Course objective: My goal is to train you to *think* like an economist

Course Description: Economics is the social science that investigates the behavior and choices of individuals when trying to satisfy (potentially infinite) needs and cope with the scarcity of some available resources. Economics also investigates the results of those choices and the behavior of a society as a whole. Every economic system must address few central questions: what goods to produce? How much of each good to produce? In what way should goods be produced? Who gets the goods? Other important questions are: what are and what affects the economy's *standard of living* and its *cost of living*? What creates *real economic fluctuations* and which monetary and fiscal policy should be adopted to correct them? In this course you will learn the basic macroeconomic principles that economists use to answer these questions.

First, our focus will be on how individuals make their decision. Second, we will consider the consequences of these decisions on the aggregate macroeconomic variables and social welfare. Throughout the course the macroeconomic principles discussed will be applied to real-world policy questions.

Textbook: *Principles of Macroeconomics*, Robert H. Frank and Ben Bernanke, McGraw-Hill, 3rd ed., ISBN 0073502324.

Course Requirement: Course grades will be based on:

- 20% Aplia Problem Sets
- 30% Midterm Exam
- 50% Cumulative Final Exam

Attendance: Students are required to attend lectures. Missing many classes can result in a reduction in your grade.

Course Outline

- i) Thinking like an Economist - Ch. 1, pp. 3-19 and pp. 23-32*
- ii) Comparative Advantage: The Basis for Exchange - Ch. 2, pp. 35-55*
- iii) Supply and Demand: An Introduction - Ch. 3, pp. 59-82*
- iv) Measuring Economic Activity: GDP and Unemployment - Ch.5, pp. 115-141*
- v) Measuring the Price Level and Inflation - Ch. 6, pp. 147-170*

*****MIDTERM EXAM, Monday, June 11, 2007 (Class Time)**

- vi) Workers, Wages, and Unemployment in the Modern Economy: Ch. 8, pp. 227-233*
- vii) Saving and Capital Formation - Ch.9, pp. 241-265*
- viii) Money, Prices and Federal Reserve - Ch.10, pp.271-290*
- ix) Short-term Economic Fluctuations: An Introduction - Ch.12, pp. 323-341*
- x) Stabilizing the Economy: The Role of the Fed - Ch.14, pp. 383-410*

*****FINAL EXAM, Wednesday, June 27, 2007 (Class Time)**