

# SYLLABUS FOR CAS EC102.A1

(Updated on September 2, 2008/Check *CourseInfo* for updates)

Professor Mirco Soffritti – Boston University, Dept of Economics – Fall 2008

## Introductory Macroeconomic Analysis

Email: [ec102a1@gmail.com](mailto:ec102a1@gmail.com)

Office: Room 537, Dept. of Economics, 270 Bay State Road

Phone: 617-353-5852

Office Hours: Wed./Thu. 5.30 - 7:00 p.m. (or by appointment)

Class meets: on Tuesday and Thursday at 3:30 - 5:00 p.m., in Morse Auditorium (602 Comm. Avenue)

**Course Objective:** My goal is to train you to *think* like an economist.

**Course Description:** Economics is the study of how society deals with the problem of allocating scarce resources across competing uses. Every economic system must answer a few central questions, e.g. what goods to produce, how much of each good to produce, in what way should they be produced, and who gets the goods. In this course you will learn the basic macroeconomics principles that economists use to address these and the following questions: What is and what affects the economy's *standard of living* and its *cost of living*? What creates *real economic fluctuations* and what can be done (fiscal & monetary policy) to correct them?

First, we will focus on how individual decision makers in the economy (i.e. households, firms, and government, make their choices). Second, we will investigate the consequences of these decisions on the aggregate macroeconomic variables and social welfare. Throughout the course the macroeconomic principles presented will be applied to real-world policy questions.

**Course Web Sites:** The web site for this class can be found at [www.bu.edu/econ/faculty/soffritti/home\\_a1.html](http://www.bu.edu/econ/faculty/soffritti/home_a1.html). However, all course documents and announcements will be posted on the 'CourseInfo' web site at <http://courseinfo.bu.edu/08fallcas.html>.

**Textbook:** *Principles of Macroeconomics*, R. H Frank & B. Bernanke, McGraw-Hill, 3<sup>rd</sup> ed., ISBN 978-0-0-7350232-8. This book should come with an access to Aplia [[aplia.com](http://aplia.com)]. However, the Aplia access for this course directly from Aplia for \$35.00.

**Office Hours and Appointments:** If you have a course conflict with the scheduled time for office hours, please do not hesitate to contact me. We'll try to find another time to meet (email is the best way to make this request). If you have questions about teaching materials and problem sets, please address these questions to your TA either during the discussion section or during his/her office hours.

**Course Requirements:** Course grades will be based on:

- 40%] Two midterm exams, 20 points each (multiply by 5 to express each grade as a percentage)
- 40%] A cumulative final exam, of max 40 points (multiply by 2.5 to express your grade as a percentage)
- 10%] Aplia problem sets
- 10%] 10 points reduced to account for failed attendance to discussion sections<sup>1</sup>

**Grades from Tests:** If a student's score is higher on the final exam than on the midterms, those midterm grades will be *automatically* dropped and the final exam will count for the corresponding points. For example:

	Midterm 1	Midterm 2	Final Exam	Final grade
Student #1:	80/100	90/100	70/100	$(80 + 90) \times 0.2 + (70 \times 0.4) = 62/80$
Student #2:	80/100	85/100	90/100	$(90 \times 0.8) = 72/80$
Student #3:	90/100	70/100	85/100	$(90 \times 0.2) + (85 \times 0.6) = 69/80$
Student #4:	75/100	95/100	85/100	$(95 \times 0.2) + (85 \times 0.6) = 70/80$

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<sup>1</sup> We will eventually set a limit for the amount of discussions a student is allowed to miss. Each absence past this limit would be 1 point off of his/her course grade.

**Exam Schedule:**                      *Midterm 1*    *Midterm 2*    *Final Exam*  
 Thur., Oct. 2, MOR, class time      Thur., Nov 6, MOR class time                      Sat., Dec. 20, 3 p.m. - 5 p.m.

**Exams and practice material:** The first and second midterm consist of 31 multiple-choice questions (30+1 bonus). The final test consists of 62 multiple-choice questions (60+2 bonus) of which, 15 questions will be on material to be studied for Midterm 1, 15 questions on material to be studied for Midterm 2, and 30 questions on after-Midterm 2 material. Practice questions for each chapter will be available on Aplia. Approximately 5 days before each test, I will post a sample test on CourseInfo.

**Makeup exam rules (rules):** Before you schedule a make up test please consider the advantages of the drop-the-bad-midterm-grade policy. Then, if you are entitled to take a make up exam, please contact your instructor at ec102a1@gmail.com to schedule a time/place for your makeup. Your instructor will not proctor your makeup test.

Makeup exams will only be offered in the case of a documented emergency (i.e. if you sleep through an exam, no makeup will be given). A note on letterhead from a medical doctor/athletic department/court/etc. is required and must be presented to the TA who proctors your test. If the note does not fulfill the above requirements, a make up will not be offered. A make up test cannot (and will not) be administered beyond 6 days after the official schedule for a test. For additional info regarding makeup exams, please see FAQ 15 at bu.edu/econ/faculty/soffritti/FAQ\_a1.html

**Makeup Exam Rules (excuse note):** The excuse note on letterhead from a medical doctor/athletic dept/court/etc. must explicitly state that you are not able to take the exam on the scheduled date (*the note must have the date of the exam stated on it*). If the note from the doctor/hospital/athletic department/court does not fulfill these requirements a makeup exam will not be offered. Please note that the BU Student Health Services does no longer provide the documentation (commonly known as a ‘blue note’) to excuse students from examinations. The BU Student Health Services will still provide each student, as is the case in any physician's office, with a record of his or her visit in the form of a ‘receipt.’ This ‘receipt’ will not be accepted as an excuse note.

**Assignments:** During this course, to complete the assignments, you will be required to access a new website dedicated to students and professors of economics. To access the website, you need to register for an account with Aplia at econ.aplia.com. Please register on the website as soon as possible after the first day of class, by using J876-ZT78-UJYV as course key". The assignments linked to the Aplia site count toward students' grades (see ‘Course Requirements’ above). The normalized score for each assignment is the fraction of correct answers out of all possible answers.

**Aplia. Student Registration and Payment Instructions:** Please refer to the last page of this syllabus.

**Free-Pass Policy for Assignments:** When a student is unable to submit an assignment on time, whether for personal reasons or due to some technical glitch, we leverage the following free-pass policy: a student's two lowest scores on assignments, including a zero score for a non-submitted assignment, are automatically dropped. Please understand that our policy allows you to miss two weeks worth of assignments, usually consisting of several individual assignments.

**Discussion Sections (tentative schedule):** The week after the deadline, each assignment will be reviewed by your TA in a one-hour discussion section according with the following tentative schedule:

Week	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Dates</b>	9/2 9/5	9/8 9/12	9/15 9/19	9/22 9/26	9/29 10/3	10/6 10/10	10/14 10/17	10/20 10/24	10/27 10/31	11/3 11/7	11/10 11/14	11/17 11/21	11/24 11/25	12/1 12/5	12/8 12/11
<b>Chapter discussed</b>	<b>X</b>	1	2	3	4*	<b>Review Mid 1</b>	5	6	8	9	<b>Review Mid 2</b>	10	<b>X</b>	12*	14
<b>Midterms</b>					<b>Mid 1</b>					<b>Mid 2</b>					

**X** No discussions section will be administered on these dates

\* Chapter taught by your TA during discussion section

**Discussion Sections (registration):** Students are required to register for a discussion section and to attend that section each week (see schedule below). The discussion sections associated with this lecture are sections EC102 AA and A2- A9. If you have not yet registered for a discussion section, and in case there aren't available spots in the discussion section of your preference, please wait the beginning of the semester and follow these three steps:

- \* Attend the first discussion section that you want to enroll in.
- \* If there are available chairs, ask the TA if they agree to let you enroll.
- \* As soon as possible, bring to me a document [please no emails] on which your TA signs and formally states that you can enroll, along with an official registration form.

**Discussion Sections (attendance):** You must attend the discussion section that you are registered in and your TA will take strict attendance in each discussion section. Every unexcused absence from discussion sections will not only hurt your performance in exams, but will lead to direct reductions in your course grade. For details, see 'Course Requirements' on page 3. Please understand that:

- \* You will not be responsible for attendance when a discussion section is cancelled due to the University schedule. In this case, you are free to attend any other discussion section taught by your TA during the same week.
- \* If you miss your discussion section due to an unexcused reason, make sure you attend any other section taught by your TA during the same week.. In this case, contact your TA as soon as possible. For information regarding his/her teaching schedule please check this course web site at [bu.edu/econ/faculty/soffritti/DiscussionsTAs\\_a1.html](http://bu.edu/econ/faculty/soffritti/DiscussionsTAs_a1.html)
- \* With no exceptions, if you miss your discussion section due to an excused reason, a letterhead from a medical doctor/another instructor/athletic dept/court/etc. that explicitly states that you will not be able to attend a (or a part of a) discussion section is necessary to make up your absence. Under no circumstances will an email be accepted as excuse note.

**Teaching Fellows:** Discussion sections are run by Bond Tim, Wai Yip Alex Ho, Rania Gihleb, Denis Tkachenko, and Michelangeli Valentina. All Teaching Fellows are graduate students in the Economics Department. Their office hours and contact information are presented on the web page at [bu.edu/econ/faculty/soffritti/DiscussionsTAs\\_a1.html](http://bu.edu/econ/faculty/soffritti/DiscussionsTAs_a1.html).

**DiscoverEcon:** On each new textbook, there will be an insert with the access code you will need to access DiscoverEcon site ([www.discoverecon.com/](http://www.discoverecon.com/))

**Emails, Courtesy, and Etiquette:** When you contact either your instructor or your TA via email, your courtesy is highly appreciated. In your email make sure you include your name, and any appropriate etiquette and salutations. Also, keep in mind that we will only respond to constructive emails. "What should I study for the midterm?", or "What should I do to pass the test?", or "Any recommendation for the test?" are examples of questions that will most likely not receive an answer.

**Student Athletes:** If you must miss an exam due to participation in a BU athletic event and want to take a makeup we will need a letter from the athletic department at least two weeks before the event.

**Students with Documented Disabilities:** If you have a disability that necessitates extra time for exams, or any other accommodations, you will need to have a note from the BU Office of Disabilities Services [<http://www.bu.edu/disability/>] to show to the TA who proctors the extended-time test. The extended-time tests are usually offered on the same day, same time, but at different location than the official tests. For details about your extended-time test, please contact the instructor at [ec102a1@gmail.com](mailto:ec102a1@gmail.com) or the head TA, Mr. Jeongmeen Suh, at [megameen@bu.edu](mailto:megameen@bu.edu).

**Class slides:** A specific selection of the PowerPoint slides presented in class will be posted on CourseInfo, under 'Course Documents'. It is your responsibility to attend every lecture or to get lecture notes from your classmates. Be aware of the fact that many of the slides containing practice problems for the tests will not be included in the set available to students. Please don't ask for more slides than the ones that will be posted online.

**Class Attendance:** Students are expected to attend lectures and discussion sections. If you miss class you are responsible for getting lecture notes from your classmates. The structure of knowledge in economics is *strongly hierarchic* in that each successive lecture tends to build on prior material in a rather systematic fashion. As such it is very easy to fall behind if you miss a class and do not study the missed material *before* the subsequent lecture.

**Class Preparation:** The best way to learn the material (in addition to solving assignments) is to read the assigned chapters *before* the lecture, to ask questions *during* the lecture, and then to look over the chapter again and your notes *after* the lecture. You should not hesitate to stop by during my office hours. I will do my best to make myself available at other times by appointment.

**Administrative Dates:**

- Monday, September 15, 2008 – last day to add classes
- Monday, October 6, 2008 – last day to drop without a 'W' grade
- Monday, October 6, 2008 – last day to change from Credit to Audit status
- Monday, November 10, 2008 – last day to drop with a 'W' grade

**Academic Dates:**

- Tuesday, September 2, 2008 – first day of class
- Monday, September 8, 2008 – first day of discussion sections
- Monday, October 13, 2008 – holiday, class suspended
- Tuesday, October 14, 2008 – substitutes Monday class
- Tuesday, November 11, 2008 – holiday, class suspended
- Wednesday, Nov. 26 – Sunday, Nov. 30, 2008 – Fall recess
- Thursday, December 11, 2008 – last lecture
- Friday, December 12 – Monday, Dec. 15, 2008 – BU study period
- Saturday, December 20, 2008 – Macro final exam, 3 p.m. - 5 p.m.

**Class Relocation:**

- Tuesday, Sept. 30, 2008 – Class taught in LAW AUD, 765 Comm. Ave.
- Thursday, Oct. 9, 2008 – Class taught in LAW AUD, 765 Comm. Ave.

**Educational Resource Center (ERC):** The Boston University ERC provides peer-tutoring services. It is located on the fourth floor of the George Sherman Union at 775 Commonwealth Avenue (phone: 3-7077; web: <http://www.bu.edu/erc>).

**Policy on Cheating:** Cheating on exams or quizzes will result in a zero grade for the exam or quiz (and this grade will count in the final course grade calculation regardless of the grade on the final) and will be reported to the Dean's office. In this regard it is important to remind everyone that students are responsible to know and understand the provisions of the CAS Academic Conduct Code (copies are available in room CAS 105).

**Final Exam Disclaimer:** Please note that your final exam is **officially scheduled on Saturday, Dec. 20, 2008!** Under no circumstances will the final exam be administered on a different place, date, and time or with a different class..

## Course Outline

(As of Sept. 2, 2008 – Tentative – Check CourseInfo for updates)

- 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 [skip pp. 83 -85]

iv) *Macroeconomics: The Bird's-Eye View of the Economy*– Ch. 4, pp. 97-112 [Discussed by TA in discussion section]

v) *Measuring Economic Activity: GDP and Unemployment* [First Part] – Ch. 5, pp. 115-TBA

**\*\*\* MIDTERM EXAM 1, Thursday, October 2, 2008 (class time; Morse Auditorium) \*\*\***

vi) *Measuring Economic Activity: GDP and Unemployment* [Second Part] – Ch. 5, pp. TBA-141

vii) *Measuring the Price Level and Inflation* – Ch. 6, pp. 147-170

viii) *Workers, Wages, and Unemployment in Modern Economy* – Ch. 8, pp. 227-233

ix) *Saving and Capital Formation* – Ch. 9, pp. 241-265

**\*\*\* MIDTERM EXAM 2, Thursday, November 6, 2008 (class time; Morse Auditorium) \*\*\***

x) *Money, Prices, and the Federal Reserve* – Ch. 10, pp. 275-290

xi) *Short-Term Economic Fluctuations: An Introduction*– Ch. 12, pp. 323-341 [Discussed by TA in discussion section]

xii) *Stabilizing the Economy: the Role of the Fed* – Ch. 14, pp. 383-410 [only if time permits]

**\*\*\* FINAL EXAM, Saturday, Dec. 20, 2008 (3:00 p.m. - 5:00 p.m. Morse Auditorium)<sup>2</sup> \*\*\***

## Letter Grading System

(How to convert your numerical grade into a letter grade)

Numerical grade for the course	Equivalent letter grade	Status
93-100	A	Outstanding Achievement
90-92	A-	
85-89	B+	Good Achievement
80-84	B	
75-79	B-	Average Achievement
70-74	C+	
65-69	C	Satisfactory Achievement
60-64	C-	
50-59	D	Poor Achievement
less than 50	F	Failing grade

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<sup>2</sup> Note: under no circumstances will the final exam be administered on a different place, date, and time.

## Instructor and Teaching Assistants

Name	Email	Office	Class Taught	Office Hours
Mirco Soffritti	ec102a1@gmail.com	537**	A1	Wed./Thu. 5.30 - 7:00 p.m
Bond Tim	timbond@bu.edu	B17*	A4, A7, and A8	TBA
Wai Yip Alex Ho	hwyaalex@bu.edu	B17*	A9	TBA
Rania Gihleb	rgikhleb@bu.edu	B17*	A5	TBA
Denis Tkachenko	tkatched@bu.edu	B17*	AA	TBA
Michelangeli Valentina	valemic@bu.edu	B17*	A3, A6	TBA
Jeongmeen Suh***	megameen@bu.edu	---	---	---

(\*) Located in the basement of 264 Bay State Road    (\*\*) At 270 Bay State Road    (\*\*\*) Head TA

## 6 Frequently Asked Questions

(For additional 14 FAQs, please check [bu.edu/econ/faculty/soffritti/FAQ\\_a1.html](http://bu.edu/econ/faculty/soffritti/FAQ_a1.html))

### A) I haven't registered yet. What should I do if I want to enroll in your class?

Please follow these three steps:

- \*) Begin by checking class availability through the BU web site until the first day of class.
- \*) In case there is no availability until the first day of class, allow approximately one additional week during which you should keep checking for any openings (some students drop off during the first week).
- \*) If there aren't any openings after one week, please contact Daryl Graves ([degraves@bu.edu](mailto:degraves@bu.edu), Econ. Department, room 349, 270 Bay State Road, ph: 617 – 353 4389). He will register you, but only if authorized.

### B) I made a mistake and now I need to register in a different discussion section. What should I do?

Depending on the following two alternative scenarios, please act accordingly:

**CASE 1)** In case there are available spots in the discussion section of your preference, please register online ASAP.

**CASE 2)** In case there aren't available spots in the discussion section of your preference, please wait the beginning of the semester and follow these three steps:

- \* Attend the first discussion section that you want to enroll in.
- \* If there are available chairs, ask the TA if they agree to let you enroll.
- \* As soon as possible, bring to me a document [please no emails] on which your TA signs and formally states that you can enroll, along with an official registration form.

**VERY IMPORTANT:** Please keep in mind that the ONLY way you will be able to preserve a record of past attendance is by transferring from one to another discussion taught by your former TA. In other words, this will not be possible if changing discussion section will require you to change also your TA. In this last case, it will be your responsibility to promptly inform your new and former TA about the transition if you want your name to appear/disappear from their attendance lists.

**C) I am registered in a discussion section that is not associated to the class I am enrolled in. Is that ok?**

No, that is not ok! All students must register to a discussion section that is associated to the course they are enrolled in. The discussion sections for EC102.A1 (M/W/F 3 -4 p.m.) are only EC102.AA and Ec102.A2 through EC102.A9

**VERY IMPORTANT:** With no exceptions, if you should enroll in a discussion section that is incompatible with your class, your record of attendance will be disregarded when computing your course grade.

**D) Today I was late for discussion section/I left class early/I wasn't there. Because of that, I could not sign the attendance form. What can I do to make up for those points?**

With no exceptions, a letterhead from a medical doctor/another instructor/athletic dept/court/etc. (that explicitly states that you will not be able to attend a - or a part of a - discussion section) is necessary to make up your absence. Under no circumstances will an email be accepted as excuse note.

**E) I missed a test. How can I schedule a makeup?**

Before you schedule a make up test please consider the advantages of the drop-the-bad-midterm-grade policy. Then, if you are entitled to take a make up exam, please contact your instructor at [ec102a1@gmail.com](mailto:ec102a1@gmail.com) to schedule a time/place for your makeup. Your instructor will not proctor **your** makeup test!

**VERY IMPORTANT:**

\*] With no exceptions, will a makeup be offered without a letter headed note from a medical doctor/another instructor/athletic dept/court/etc. that explicitly claims that the student cannot **take** the exam on the scheduled date (the note must have the date of the exam stated on it). The note must be given to the TA who proctors your test. If the note does not fulfill the above requirements, a make up will not be offered.

\*] Please note that under no circumstances will the final exam or midterms be administered on a different date than scheduled because of travel plans or family events.

\*] The BU Student Health Services does no longer provide the documentation -commonly known as a 'blue note'- to excuse students from examinations. The BU Student Health Services will still provide each student, as is the case in any physician's office, with a record of his or her visit in the form of a 'receipt.' This 'receipt' WILL NOT be accepted as an excuse note.

\*] A make up test cannot (and will not) be administered beyond 6 days after the official schedule for a test.

\*] Your final exam is **officially scheduled on Saturday, Dec. 20, 2008 at 3-5 p.m.!** Under no circumstances will the final exam be administered on a different place, date, and time.

**F) I had a problem (failed hard drive, network down, illness, etc.), with the submission of the problem set to Aplia web site. Can I submit my assignment it after the deadline?**

These things happen. Just use one of your two free passes for Aplia. That's what they are for.



# Student Registration and Payment Instructions

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**Course Name:** EC 102 Macroeconomics, Fall 2008

**Start Date:** 09/02/2008

**Professor:** Mirco Soffritti

**Course Key:** J876-ZT78-UJYV

**You can begin working on your homework as soon as you register!**

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## Registration

### Registration Instructions

1. Connect to <http://www.aplia.com>.
2. Click the **System Configuration Test** link below the **Sign In** and **Register** sections to make sure you can access all of the features on Aplia's website. This takes just a few seconds and tells you how to update your browser settings if necessary.
3. Return to <http://www.aplia.com>.
  - If you have never used Aplia before, click the **New Student** button and enter your Course Key: **J876-ZT78-UJYV**. Continue following the instructions to complete your registration.
  - If you have used Aplia before, sign in with your usual e-mail address and password and enter your Course Key when prompted: **J876-ZT78-UJYV**. If you are not prompted for a new Course Key, click the **Enter Course Key** button to enroll in a new Aplia course. Enter your Course Key when you are prompted.
4. If you understand your payment options, pay now. Otherwise, postpone your purchase decision by choosing the option to pay later. Your payment grace period ends at the end of the day on 09/22/2008.

## Payment

### Pay Aplia Directly

- Purchase access to your course directly from Aplia on our website for \$35.00 USD.
  - The website includes content that has been customized for your textbook and course.
- Or you can purchase a new textbook bundled with the Aplia Payment code from the bookstore