

The University of Kentucky
Department of Economics
Intermediate Macroeconomic Theory (ECO 402)
Summer II, 2018

Instructor

Hanson, Ryan
445C Gatton College of Business & Economics
Class Hours: MTWTF 10:00 AM – 12:00 PM
Classroom: Gatton 235
Office Hours: MTWTF 12:00 PM – 1:00 PM, or by appointment.

If you need to contact me, please use my UK email ryan.hanson@uky.edu. Do not contact me through Canvas. I will try my best to respond quickly but please allow me some time (and a little more time during the weekends).

Course Description

ECO 402 provides you with a comprehensive description and explanation of concepts in macroeconomics, growth theory, and business cycle theory using analytical and mathematical tools. This course is intended to provide economics majors and other interested students with rigorous analysis of macroeconomic theory. The goal of this course is to provide the tools to think and analyze the economic issues as an economist. It requires both intuition in basic economics concepts and analytic skills. There are mainly two parts to the course; the first part is long run economic growth. The second part is where we will try to understand the short run determinants of economic growth. The focus will be largely on the effectiveness of monetary and fiscal policy to tackle the fluctuations in the macroeconomy.

Course Details

Prerequisite

ECO 202- Principles of Macroeconomics and ECO 401- Intermediate Microeconomics (or equivalent)

Required Textbook

The textbook we will be using for this class is the *Macroeconomics (4th edition)* by Charles I. Jones (Publisher: Norton). While we will work through Jones' book closely, you might also want to review other books or sources for your understanding. Occasionally, I may discuss some current events and topics which are not included in the required book. If this occurs, I will provide the materials during class or will link them on canvas.

Teaching Philosophy and Methods

I love teaching and I look forward to interacting with you throughout the semester about macroeconomics and other concerns you might have. Class time will be a mixture of

lecture and active learning in order to involve you in an active discussion of the main principles and ideas. In class, you will **regularly work together with your classmates**. I will ask you to compare answers to a problem or work together on a question with your neighbor(s). Working together in class will serve as a nice break from lecture and will increase the amount of macroeconomics that you learn.

Problem sets

There will be no more than 5 problem sets. I will expect each student to clearly write and explain their answers for the questions. Please take time to write each step of the calculation or explanation of how you arrived at the answer. All assignments are due at the start of class. Late assignments will be accepted for 24 hours after the due date at a 30% penalty. After the assignments are graded by me, please make sure you check the answers with the keys provided. Problem sets are designed to help students prepare for exams and to check their understanding of key concepts for the course.

Exams

There are two exams and a final exam, each out of 100 points. The exams cover material from class, the text, and any additional assigned readings. The final exam is cumulative. The other two exams will not be cumulative; however, the course material builds upon itself, so each exam will include concepts from previous exams. The **tentative** dates for the exams are:

- Exam I Date: Monday, July 16, 2018.
- Exam II Date: Wednesday, July 25, 2018.
- Final Exam Date: Thursday, August 2, 2018.

Grading System

The grades are function of your performance on problem sets, midterm and final exam weighted in the following way:

<u>Assignment</u>	<u>Percentage of Final Grade</u>
Midterm Exam 1	25%
Midterm Exam 2	25%
Final Exam	30%
Problem Set Average	20%

To determine a letter grade, I will calculate the points using the following formula, which you can rearrange to determine required exam scores for a specific letter grade (*if you need assistance doing this please stop by my office hours*):

$$\text{Final Grade} = 0.2 * (\text{Problem Set Average}) + 0.25 * (\text{Exam 1 Score}) + 0.25 * (\text{Exam 2 Score}) + 0.3 * (\text{Final Exam Score})$$

Furthermore, the standard grading system will be used.

A	90-100%
B	80-89%
C	70-79%
D	60-69%
E	< 60%

Administrative Details

Office hours

I will have regular office hours on MTWTF from 12:00 PM-1:00 PM, immediately following class. If you can't make it during these hours, email me and we can setup a time that works for both of us. I can always answer brief questions via email, but I recommend seeing me in person for most issues.

Communication and Lectures

All the information about this course will be posted on Canvas. (Basic course materials, Due dates, Exam dates, Problem sets, Edited lecture slides). Please make sure you check Canvas frequently. You are responsible for everything that we discuss during class time. This means every concept, idea, exercise, problems discussed have a pretty high probability of showing up in the exam. Your notes that you take during class will be your most valuable study tool. If you ever have to miss class then I recommend you borrow notes from your classmates and also check Canvas first, before you contact me with any additional questions.

While there is not a strict attendance policy, the lecture slides and notes that I will cover in class will be more detailed than the ones that I will upload to Canvas. Furthermore, I will only upload the lecture slides after we have finished the chapter. This is only a four-week course but will cover the same content as a regular semester-long course; as such, we will be going at a fairly quick pace. You will be expected to read and complete assignments on your own outside of class time. I will assign preliminary readings at the end of each class and expect students to come in having completed them by the following class time.

Being Courteous

Be on time and if possible do not leave until class is dismissed. Since this is a two-hour long class, I will attempt to give everyone a *very brief* break near the middle of the class time. Late arrivals and early departures disrupt your fellow students and me. If nature calls so loudly that you must answer, please leave and return to the classroom quietly.

Do not carry on private conversations during class. This behavior shows disrespect for your classmates who would like to hear the lecture and it can have a negative impact on

the learning experience of the entire class. Since we only have a small number of students in the class, it will be very obvious and distracting to the rest.

Cell Phones and Laptops

I expect professional behavior. Silence your cell phones. No texting during class. You can use your laptop to take notes. You cannot use your laptop for instant messaging, e-mailing, playing games, checking sports scores, shopping, and the like during class.

Excused Absences

The University Senate Rule on Excused Absences states that a student is entitled to an excused absence for the following reasons: serious illness; illness or death of family member; University-related trips; and major religious holidays. In each case, appropriate verification may be required. Students missing assignments due to an excused absence bear the responsibility of informing me about their excused absence within one week following the period of the excused absence (except where prior notification is required).

I will regularly confirm the authenticity of documentation used to verify excused absences.

Grievance Procedure

Anyone feeling that a dispute exists after the grading of an exam may submit a written grievance. The grievance should identify the item in dispute and provide arguments supporting the student's position. Grievances must be **submitted within two class periods following the return of the exam/assignments.**

Cheating

Academic integrity is valued by the University of Kentucky and its vast majority of students. University policy will be followed for any student caught cheating or plagiarizing and the penalty could include an E in the course and possible suspension or dismissal from UK.

Students with Disabilities or Accommodation Requests

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours or after class. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (DRC) at least one week before the first exam. The DRC coordinates campus disability services available to students with disabilities. It is located on the corner of Rose Street and Huguelet drive in the Multidisciplinary Science Building, Suite 407. You can reach them via phone at (859) 257-2754 and via email at drc@uky.edu. Their web address is

<http://www.uky.edu/StudentAffairs/DisabilityResourceCenter/>

Course Outline

Students are expected to read each chapter before class and be prepared to answer questions and participate in thoughtful discussion about the chapter topics. We will tentatively follow the course outline below:

Ch. 1	Introduction to Macroeconomics	July 5 th
Ch. 2	Measuring the Macroeconomics	July 5 th & 6 th
Ch. 3	Long-Run Economic Growth	July 6 th & 9 th
Ch. 4	A Model of Production	July 9 th & 10 th
Ch. 5	Solow Growth Model	July 10 th & 11 th
Ch. 6	Growth and Ideas	July 12 th & 13 th
	Review	July 13 th
	First Exam	July 16th
Ch. 7	Labor Market, Wages, and Unemployment	July 17 th
Ch. 8	Inflation	July 17 th & 18 th
Ch. 9	Introduction to Short Run	July 18 th
Ch. 10	Great Recession: First Look	July 19 th
Ch. 11	The IS Curve	July 19 th & 20 th
Ch. 12	Monetary Policy and Phillips Curve	July 20 th & 23 rd
Ch. 13	Stabilization Policy and AS/AD Framework	July 23 rd & 24 th
	Review	July 24 th
	Second Exam	July 25th
Ch. 14	Great Recession and the Short-run Model	July 26 th
Ch. 16	Consumption	July 27 th
Ch. 17	Investment	July 30 th
Ch. 18	Government and Macroeconomy	July 31 st
	Cumulative Review	August 1 st
	Final Exam (Cumulative)	August 2nd