
Economics 402-002
Intermediate Macroeconomic Theory
Fall 2021

Instructor: Dr. Jenny Minier

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Office Hours: Tuesdays 4:00–5:00 P.M. (virtual) or by appointment

Textbook: The recommended textbook is Greg Mankiw, *Macroeconomics*, 10th edition (but earlier editions are fine). I also put notes and lectures online after each class.

Important Dates:

Midterm #1: Thursday, September 23 in class

Midterm #2: Thursday, November 4 in class

Final exam: Thursday, December 16, 10.30 A.M. – 12.30 P.M.

The final exam is cumulative, but will emphasize material covered after Midterm #2.

Overview and Motivation: Macroeconomics is everywhere. How will the economy recover from the Covid-19 crisis? How fast will employment return to normal levels (and how “tight” will the job market be – how hard will it be for you to find a job when you graduate?). How much did fiscal stimulus help? What about monetary policy? Taking a more long-term view of the world economy, why are some countries so much richer than others? Why do some countries grow faster than others? In addition to discussing the current state of the economy in detail, we’ll talk some about 20th century economic history, current research in macroeconomics, and some of the open questions in the field.

Technical Details: The class is based on the material covered in class, including all assignments and lectures. There may occasionally be (short) online reading assignments. The exams will be based on the material covered in class and on homework assignments — you are responsible for all material in the lectures and any/all assigned readings. All assignments, including deadlines, will be discussed in class and posted on Canvas.

Problem Sets: There will be problem sets throughout the semester. Many of these will be typical problem sets, designed to help you prepare for the exams. It is strongly recommended that you go through the answer keys regardless of your grade on these assignments, since I regularly explain things in more detail on the answer keys than I can individually on each student’s problem set. A good score on the problem set does not necessarily mean that you did everything on that assignment correctly.

Some problem sets may require class participation for full credit; this will be made clear on the assignment.

If you miss a deadline, you may generally turn in the problem set for half credit at any time before the beginning of the next class period; after that, assignments will not be accepted for credit. I will not go over late assignments except to give you half credit if you have made a reasonable effort. Exceptions to this policy (usually just before an exam) will be noted on the problem set when it is handed out.

Project: There is a project on current events that counts as 10% of your course grade. It can be done as a group if you choose. There are two components: the project itself (video, podcast, infographic, etc.) and a writeup about the project. The writeup includes assigning grades to yourself and, if applicable, the members of your group. The project will be discussed in more detail later in the semester.

Exams and Grading: The distribution of scores toward your final grade will be as follows:

25% each midterm;

25% final exam;

10% project;

15% problem sets and assignments (some include class discussion).

The final grades may be curved depending on class performance. The curve can only help you, in the sense that 90% or higher is guaranteed to be an A, 80% or higher will be at least a B, and 70% or higher will be at least a C. Depending on how the rest of the class does, 89% could be an A or a B. The grading scales for the midterms are designed to give you an idea of how your grade on that exam compares to the rest of the class.

Borderline grades, whether between a C and a D, or an A and a B, will be determined based on your participation in class.

No makeup exams will be given. If you must miss an exam due to an official university function or religious observance, contact me as soon as possible. If serious illness or injury interferes with your ability to take an exam, contact me as soon as possible. This means that you should contact me *before* the exam except in the most extreme circumstances.

Additional Policies: All University policies apply.

Diversity, Equity, and Inclusion: <https://www.uky.edu/universitysenate/syllabus-dei>

Academic Policies: <https://www.uky.edu/universitysenate/acadpolicy>

Rules Regarding Academic Offenses: <https://www.uky.edu/universitysenate/ao>

Resources Available to Students: <https://www.uky.edu/universitysenate/student-resources>

UK Counseling Center: <https://www.uky.edu/counselingcenter/>

UK Economics Society: Twitter @UKEconSociety or Insta @UKEconSociety

Topics Covered

Details of the schedule will be posted on Canvas. You can find lectures, notes, and assignments for each unit under “Pages” in Canvas. Note that some units are longer than others.

Unit 1: Introduction, Motivation, Macroeconomic Variables

Unit 2: Economic Growth – The Economy in the Long Run

Unit 3: Labor and Unemployment

Midterm #1 – Thursday, September 23

Unit 4: Money and Inflation

Unit 5: Business Cycles – The Economy in the Short Run

Unit 6: Policy, Debts, and Deficits

Midterm #2 – Thursday, November 4

Unit 7: Dynamics – Consumption and Investment

Unit 8: Open Economy

Projects

Final Exam – Thursday, December 16, 10:30 a.m. – 12:30 p.m.

‘But, Baba - ’ protested Dipankar, blinking in distress, ‘economics is the worst possible qualification for running anything. It’s the most useless, impractical subject in the world.’ ‘Dipankar,’ said his father, not very pleased, ‘you have studied it for several years now, and you must have learned something...about how economic affairs are handled....Even if, as you claim, a degree in economics doesn’t help, I do not believe it can actually be a hindrance. And it is new to my ears to hear you claim that impractical things are useless.’

Vikram Seth, *A Suitable Boy*