Required Readings are from the 2nd edition of *Macroeconomics: Policy and Practice*, (Pearson, 2015) by Frederic S. Mishkin. Chapters from Mishkin are indicated by the letter “M” and one or more chapter numbers in the Course Outline. Homework and exams are primarily based on required readings and the material covered in class.

Supplemental Readings are also listed in most sections of the Course Outline. These readings often explore advanced topics beyond what we have time to cover in this course. Supplemental readings are NOT usually required reading. But if something from these readings is covered in class, that information might appear on a test. I will be certain to tell you when we cover any of the supplemental readings. (You may click on an underlined link to download most of the Supplemental Readings)

I recommend reading *The Wall Street Journal* to supplement economics course work. The WSJ is a useful tool for applying macroeconomic concepts to actual events, evaluating policy debates and providing up-to-date information on macroeconomic performance. Regular reading develops a better understanding of macroeconomics. Although it would take the better part of a day to read the WSJ from start to finish, the articles relevant to macroeconomics will rarely take more than a half hour to read.

Homework is regularly assigned. Questions will come from the text or will be my own creation. Your answers will NOT be collected, but I will provide solutions to each homework set. Doing a good job on the homework is essential. You make a costly error if you conclude that doing the homework is unimportant because it counts for no points. A good effort on homework will improve your grade considerably. I strongly recommend that you work hard on the questions BEFORE you take a look at the solutions that I provide. This strategy is the best way to cultivate a good understanding of macroeconomic concepts and methods, something which is necessary if you want to do very well in this course.

My Web Page: [http://www.people.ku.edu/~jkeating/](http://www.people.ku.edu/~jkeating/) has course information such as the syllabus, a link to Blackboard, and information about research, news, etc. that economists and students of economics may find interesting. I will use either my Web page or BlackBoard to distribute important course materials. Blackboard must be used for any items that I am not allowed to make freely available on the Web (e.g. lecture notes that contain graphs from texts, solutions to the textbook questions). I do not post grades on BlackBoard.

Grading: Grades are based on two mid-term exams and a final exam. Each exam will be worth 150 points for a total of 450 course points. Class participation may be used in the case of a borderline course grade.

I expect you to attend class whenever possible and I will keep track of attendance. Attendance will NOT count for any points directly, but attendance along with class participation will be helpful in deciding a borderline course grade.

Exam Policies: Excused exam absences may be given, but only under justifiable circumstances
and permission must be obtained prior to the scheduled exam period if possible. If that is not possible, you should contact me as soon as you are able. Voice mail or e-mail are easy ways to do this. The letter grade for one excused mid-term absence will be the same as your letter grade on the final exam. Unexcused absences earn 0 points. If you know ahead of time you must be absent from an exam, we may be able to arrange for you to take the exam at an earlier time.

Additional examination policies:
(1) Closed-book tests;
(2) If you believe there is some error in your grade, but you answered in pencil or anything else that is erasable, then your test will not be eligible for re-grading;
(3) Calculating devices are not permitted on the test. The mathematical calculations in this class should be easy for anyone with the credentials to get into KU;
(4) Cheating on tests will be punished to the fullest extent allowable at KU.

Exam Return Policy: I will let you keep your exams for nearly all of the semester, but I must have them back by the end of the semester. Make sure you give them back to me before the final exam, and sooner would be better to reduce the chance that you might lose an exam. For every exam that is not returned to me, I will subtract 20 points from your total course points.

EXAM SCHEDULE:  
FIRST MIDTERM: Wednesday, October 1, in class  
SECOND MIDTERM: Monday, November 10, in class  
FINAL: Thursday, December 18, 11 am - 1 pm, in our classroom.
1. Macroeconomic Issues, Variables and Measures


2. Production, the Production Function and Productivity


   SAVE: “What's Behind the Low U.S. Personal Saving Rate?” by Milt Marquis, Federal Reserve Bank of San Francisco Economic Letter, 2002-09; March 29, 2002

4. Inflation: Causes and Consequences


5. Solow’s Model of Economic Growth


6. The Key Factors in Growth: Technology, Policy and Institutions

   Charles I. Jones and Paul M. Romer, American Economic Journal: Macroeconomics, 2010


7. An Overview of the Business Cycle Model
8. The IS Curve

9. Monetary Policy and Aggregate Demand (AD)


“Monetary Policy since the Onset of the Crisis,” Ben Bernanke, FRB of KC Symposium, 2012

10. Aggregate Supply (AS) and the Phillips Curve

11. The AS-AD Model and Macroeconomic Analysis


12. The Financial System and Financial Crises

The Global Financial Crisis: Overview, and The Global Financial Crisis and the Short-Run Model Chapters from *Macroeconomics* by Charles Jones (both are posted on BlackBoard)


Ball, Laurence, *Money and Banking*, 2008, Worth: (both chapters are on BlackBoard)
Chapter 3: “Asset Prices and Interest Rates”
Chapter 18: “Financial Crises”


Ben Bernanke’s four-part lecture on: The Federal Reserve and the Financial Crisis, slides and video are available for each part.
“Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression.”

13. Fiscal Policy and the Government Budget


GREEN: “Remarks by (former Fed) Chairman Alan Greenspan on the Current Account”


15. The Labor Market


16. Advanced Business Cycle Analysis