**A. Course Description**

This is a common core course for HKUST students. In this introductory course to macroeconomic theory and policy analysis, we will introduce the ways economists look at economy from an “aggregate” perspective. We will start by introducing key macro variables that measure aggregate economic performance. The relationship among these key variables will then be studied under three time frames: the short run, the medium run, and the long run. In the short run, we will analyze the goods and financial markets, which form the foundation of the IS-LM model. We will then move to the labor market and put all three markets together to derive the AS-AD model in the medium run. We will further examine key aspects of economic growth in the long run. Lastly, we will also address key issues in the open economy towards the end of the course. Altogether, the theoretical framework presented in this course will enable you to predict and analyze the impacts of government fiscal and monetary policies on the economy. The basic teaching materials closely follow the textbook and lecture notes.

I will use real world examples and cases as much as possible in order to enhance your understanding of the course materials. We always hear about news and commentaries on economic growth, employment rate, interest rate, inflation, investment, debt and financial crisis, and so on. Upon completion of this course, you would be able to understand some of these events, views, and concerns, and to perform your own analysis in your daily life.

**B. Require Textbook**

Macroeconomics, Seventh (Sixth preferred) edition Global Edition, written by Olivier Blanchard (and David R. Johnson), published by Pearson Education Inc. (available at the university bookstore)

Supplementary readings will be posted on the Course Website.
C. Learning Outcome – School Intended Learning Outcomes (“SILOs”)
1. Identify important macroeconomic variables and understand their relationships; (SILO # 4.1)
2. Gather and organize relevant macroeconomic information for a given context; (SILO # 7.2)
3. Apply tools learnt in class to analyze some historical and current macroeconomic events; (SILO # 4.2)
4. Understand the operation of open economy and exchange rate related topics. (SILO #6.1)
   Hopefully, you can also
5. Discuss the consequences of a macroeconomic or policy shock; (SILO # 4.3)
6. Develop an appreciation for macroeconomics and a desire to continue further study. (SILO # 9)


D. Course Format and Teaching Approach

This course is delivered through lectures and tutorials.

Students attend two 80-minute lectures per week. Personal Response System (PRS) will be used during lectures to encourage class participation and exchange of ideas (further information regarding PRS can be found in Section F). Please try to attend all lectures and participate actively during class discussions.

Tutorials will start from the week of Sep. 11, and will be arranged as needed on a weekly basis. Tutorials will basically review the lecture materials, work on selected exercises, or discuss homework problems after submission. Tutorial topics will be announced in advance on Course Website. Please note that lectures and tutorials are not “substitutes” but “complements” to each other. Do attend both lectures and tutorials for your own benefit.

<table>
<thead>
<tr>
<th>Teaching &amp; Learning Activities</th>
<th>Roles in the Course</th>
<th>SILO Addressed</th>
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</thead>
<tbody>
<tr>
<td>Lectures</td>
<td>Explain key concepts and their applications; Cases and examples to build students’ critical and analytical ability</td>
<td>1,2,3,4,5,6</td>
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<tr>
<td>In-class Q&amp;A through PRS</td>
<td>Encourage class participation, critical thinking, and discussion</td>
<td>1,2,3,4,5,6</td>
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<tr>
<td>Tutorials</td>
<td>Review with further illustration on important topics, problem-solving, encourage discussion and participation</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Problem Sets</td>
<td>Enhance understanding of course materials and their applications through practice</td>
<td>1,2,3,4,5</td>
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E. Course Website

Course materials and announcements will be posted on the Course Website ([http://canvas.ust.hk](http://canvas.ust.hk)). It is YOUR responsibility to check constantly for the latest information.
F. Use of Personal Response System (PRS)

PRS will be used in lectures starting from Lecture 2. To get a PRS handset or download PRS mobile app, please visit: https://itsc.ust.hk/services/academic-teaching-support/teaching-tools/prs/ipsr. The use of PRS is to encourage classroom participation, discussion, and exchange of ideas among students and with me. Questions will be asked during lectures and the PRS allows you to respond in real time. A summary of answers will be shown and shared. I will discuss your answers with you.

G. Examinations and Grades

Overall Grading for the Course

Your final course grade will be based on relative performance, i.e., curve grading. Students will be evaluated together as a single class (with a single grade distribution).

Your overall score for the course will be computed based on the weighting scheme below:

<table>
<thead>
<tr>
<th>Problem Sets</th>
<th>16% ( = 4 * 4% each)</th>
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<tbody>
<tr>
<td>Midterm Exam</td>
<td>35%</td>
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<tr>
<td>Final Exam (cumulative)</td>
<td>49%</td>
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Problem sets

Four problem sets will be graded. You MUST submit your problem sets online via the CANVAS website. NO hard copies, faxes, or emails will be accepted. Any late submission will result in ZERO mark, regardless of the reason. So please plan ahead and avoid last-minute submission.

You will be graded based on effort shown and legibility. Suggested answers with detailed explanations will be posted on the CANVAS site after the deadline. If you have any questions about the problem sets, please seek help from the TA.

Midterm and Final Exams

There will be ONE midterm exam. The midterm exam will cover lecture and tutorial materials, problem sets, and any assigned reading. The midterm exam is scheduled on Wednesday 18 Oct. 2017 from 10:30am to 11:50am. Please mark your calendar NOW. There will be NO make-up exam for the midterm. Unapproved absence will result in zero mark. For approved absence, your midterm points will be shifted to the final exam.

The final exam is CUMULATIVE. The date and time will be arranged by ARRO. I will NOT allow early exam. If you intend to travel at the end of the semester, please make your travel plans to avoid any potential schedule clash. Request for a change of final examination date will NOT be accommodated. Please plan your travel accordingly.

Both exams will be closed-book and closed-notes. The only things you can bring are pencils/pens, erasers, and student IDs. Both exams may contain multiple-choice, true or false, and quantitative questions which require detailed explanations in words, graphs, and algebraic calculations. I will offer more guidance on the format and preparation of the exams about one week before the scheduled dates.

Absence from Exams

If for any reason you are unable to attend the midterm or final exam, you must seek approval of absence from me BEFORE the exam. Your request should be supported by valid documents, such as a medical certificate issued by a registered medical practitioner. Note
that outside activities or more than one exam on the same day are not acceptable excuses for missing an exam. Please plan accordingly. Absence from an exam without prior approval of absence would result in ZERO score.

For students who are absent from the midterm exam with prior approval, the 35% will be reallocated to the final exam. The final exam will then count for 84% of your final grade. In other words, there will be NO make-up of mid-term exam.

For students who are absent from the final exam with prior approval, a make-up exam will be arranged. The make-up exam will be scheduled as soon as possible and should be within one week after the official final exam date (to be announced). It is your responsibility to ensure your availability. The make-up arrangement may take the form of a written-exam, an oral exam, or a research paper, etc.

Please NOTE that the instructor has the final discretion on all arrangements regarding the make-up final exam. Students who request the make-up final exam should comply with all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

Grading disputes

Please check your problem set and midterm grades as soon as they are released. Any disagreement should be reported to the TAs within one week from the grade release date. Late complaints will NOT be accommodated.

We have a strict no pencil policy for non-MC questions. You will lose your right to appeal if any answers received by the TAs are written in pencil.

In case of a successful appeal, not just the discrepancy part but the entire problem set or exam will be reassessed for the whole class. The reassessment may result in a grade higher or lower than the one previously given.

The TAs and I will do our best to help you succeed in the course. Please remember that, ultimately, it is YOU who EARN the grade. If you know what grade you want for graduation, scholarship, exchange opportunities, honors, etc., you need to make the corresponding effort to achieve your goal.

H. Academic Honesty and Integrity

Academic integrity and honesty are key values at HKUST. Please read the information on academic integrity carefully. It is your responsibility to be familiarized with the Academic Honor Code and all contents on the Academic Integrity website: http://tl.ust.hk/integrity.

The Code will be STRICTLY enforced. I will report any cases to the University WITHOUT EXCEPTIONS. Cheating will result in an automatic “F” for the course.

I. How to Get Help

The TAs and I hold regular office hours to answer questions and help you with your study. You are also welcome to make appointments with any of us. If you encounter any problems or feel under pressure, I urge you in the strongest possible terms, to get help immediately. We would be happy to talk with you and help you find appropriate solutions.

Emails are also quick and easy ways to communicate with us. Most messages will be answered within hours. Please address to BOTH your TA and me in your emails for quickest response.
Please note the following guidelines for an efficient communication with your TAs and the instructor.

1. Before you contact your TAs or me, please make sure that you have a) read the textbook and lecture notes, b) discussed with your classmates, and c) put sufficient effort to find the answers by yourself.

2. Try to ask questions during lectures. Do not hesitate to raise your hands.

3. Try to find me before and after the lectures. It is best to discuss topics right after I teach them.

4. Please DO NOT write me long emails with many questions. It is more efficient to come and talk to me face to face.

5. It is always better to discuss your questions first with your classmates and friends. Argue with your classmates, debate with them, persuade them, find some flaws in their or your own arguments, and find out the best way to deliver your ideas and thoughts. This will help you not only in this course, but also in your future job-hunting process.

6. If you have questions regarding problem sets and exams, course organization, and materials covered or to be covered, please check CANVAS website and the course syllabus first.

J. Classroom Etiquette

You are expected to be punctual for both lectures and tutorials; I will start and end the lecture on time. You are welcome to bring your laptop or other devices to lectures for learning purposes. Please respect others and do not disturb others with side conversations, Internet surfing, emails-checking, or instant-messaging during class time. If you have any questions, please raise your hand, NO CHATTER. Please visit the following site for general guidelines on proper classroom behavior: http://tl.ust.hk/conduct/good_learning_experience.pps.

K. Continuous Teaching Evaluation

Student feedback is essential for course improvement. I encourage continuous teaching evaluation: At any time during the semester, you may verbally or anonymously (slip a note under my door or on the lecture table) give me your feedback about my teaching. This evaluation can include 1) things that you like; 2) things that you dislike; and 3) suggestions for improvement. I will take all comments seriously and confidentially.

L. Tentative Schedule (subject to modification as we go)

Part 1: Introduction to macroeconomics Ch1-2 2-3 lectures

Part 2: The short run (IS-LM model) Ch3-5 6 lectures

Midterm Exam

Part 3: The medium run (AS-AD model) Ch7(9) and handouts 5-6 lectures

Part 4: The long run (growth theory) Ch10-12 4-5 lectures

Part 5: The open economy Ch17-19 4-5 lectures

Final Exam
Problem set 1 covers up to Ch3. Problem set 2 covers up to Ch5.
Problem set 3 covers up to Ch9. Problem set 4 covers up to Ch12.

For Ch17-19 covering the open economy, suggested problems and exercises (problem set 5) will be given for your own practice only. You are not required to turn in anything. Please do work out each question carefully and independently for your own benefit.

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¹ The instructor reserves the right to final interpretation of the course syllabus and the right to amend the syllabus, if necessary.