

Econ 2123. Macroeconomics (Fall, 2018)  
*syllabus may be revised from time to time as needed.*

**Instructor:** Pengfei Wang

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**Lecture L3:** TuTh 09:00AM - 10:20AM; Room 1010 LSK

**Lecture L4:** TuTh 01:30PM- 02:20 PM; Room 1011 LSK

**Instructor Office:** Room 6008 (LSK Building)

**Office Hours:** by appointment

**Course Website:** Canvas

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**Course Description:**

This course covers basic macroeconomic concepts and issues. The main topics include: 1) How to measure the performance of an economy; 2) How to explain short-term economic fluctuations; 3) What are the roles of money in economic activities; 4) What determine a nation's total output level, employment level, and price level; 5) How openness to trade and globalization affect the economy as a whole; 6) What are the best government policies to guide an economy.

**Course Intended Learning Outcomes (Course ILOs):**

**Upon successful completion of this course, you should be able to:**

- 1) Identify important macroeconomic variables and understand their relationships; (SILO # 4.1)
- 2) Gather and organize the 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 shock or a policy shock; (SILO # 4.3)
- 6) Develop an appreciation for macroeconomics and a desire to continue further study. (SILO # 9)

Please refer to: [http://www.bm.ust.hk/sbmlern/file/1310548736\\_a1.pdf](http://www.bm.ust.hk/sbmlern/file/1310548736_a1.pdf) for SBM Learning Goals and Objectives.

**Teaching Approach:**

This course is primarily delivered through lectures and tutorials.

Teaching and learning activities	Roles in the course	Course ILOs addressed
Lectures	Learn key concepts and models and their applications	1-9
Tutorials	Review basic math, discuss answers to homework questions and exam.	1-9

### **Course Assessment and Evaluation:**

Assessment Activities	Weighting	Course ILOs assessed
6 homework assignments	12%	1-9
1 midterm exams	30%	1-9
1 final exam	58%	1-9

**Homework assignments:** Six assignments (The TA will provide answer keys to homework assignments in section hours.)

- Problem sets **MUST** have your name (last name first), student number and section number in the upper right hand corner on **EACH PAGE**. Do not write your name and student ID in pencil.
- Problem sets are due **exactly as specified time**. Faxed or emailed problem sets will **NOT** be accepted; late problem sets **will NOT** be accepted.

**Exams: Two exams.**

- There are **no scheduled make-up** exams for Midterm exam.
- If you are going to miss the midterm for medical reasons (You will need to provide a valid medical or legal document.), email me before the exam for permission. In such case, the weight of the middle exam will add to your final exam. If you fail to do so, you receive 0 for the midterm exam.
- **Make-up exam will only be given in the case of illness for the final exam.**
- You must notify me by email earlier for approval.
- You will need to provide a valid medical or legal document.
- Makeup exam will be given immediately after the sick leave

### **Required Textbook:**

"Macroeconomics," 7th edition (International Edition), by Olivier Blanchard (available at the bookstore) and 6<sup>th</sup> Edition by Blanchard & Johnson (PDF of some chapters will be available).

### **Course Arrangement:**

Speed: about one chapter per week on average.

### **Tutorials:**

Tutorials will be given on a weekly base. No Tutorials for the first week.

### **Course Letter Grades:**

**Your course letter grade will be determined solely from the weighted average percentage of your graded assignments.**

- All six problem sets will be counted.
- All exams will be counted.
- There are no alternative weightings of graded assignments.
- There are no extra credit assignments.

**Grading disputes may arise;** with the exception of arithmetic errors, the instructor will handle them. In order to avoid problems associated with self-selection, disputes involving points scored on individual questions will NOT be considered. However, if you wish, the entire **exam** will be re-graded by the instructor. This re-grading may result in either a higher or lower number of points being scored. **Requests for re-grading must be submitted in writing to the instructor within one week of the assignment first being returned.**

Grades are based on a grading curve. top 20% =As, top 21%-top 60%=Bs, top 61%-100%=Cs, D or F. The percentage of F will be less or equal to 5%. The distribution is **only suggestive.**

### **Warning:**

- The course requires **basic knowledge** on Introductory Microeconomics.
- The course requires **basic knowledge** on Calculus for the growth theory.
- Part 3-Part 5 is more difficult than Part 1-2. Performance in middle term exam is not necessarily a good indicator of your final grade.
- The homework and exams are quantitative (No team project or term paper).

### **Academic integrity:**

Academic integrity and honesty are key values at HKUST. All students are required to uphold the University's Academic Honor Code (<http://www.ust.hk/vpao/integrity/honor.html>).

Cheaters are subject to academic disciplinary action. The University has zero tolerance for academic dishonesty.

We do not tolerate cheating – copying other people's homework, allowing others to copy your homework, stealing other's homework, chatting during exam, bringing notes or books to exam (paper or digital), and any other form of academic dishonesty. Please DO NOT cheat! Be proud of yourself and remember why you are attending HKUST – to learn, to challenge, to dialogue with others, to receive feedback on your work, and to improve,

Please refer to <http://www.ust.hk/vpao/integrity/> for information on university regulations regarding academic integrity.

## **Tentative Schedule:**

### Part 1: Introduction to Macroeconomics

- 1.
2. What is Macroeconomics
3. Key Macroeconomic Variables (Homework 1)

Blanchard, Chapter 1, 2.

### Part 2: The IS-LM model

4. The goods market  
Blanchard, Chapter 3 (Homework 2)
5. The financial market  
Blanchard, Chapter 4
6. Goods and Financial Markets: The IS-LM model  
Blanchard & Johnson, Chapter 5 (Homework 3)
7. Application of the IS-LM model (Financial Markets: The extended IS-LM model)  
Blanchard, Chapter 6

## **Exam 1: October 18 (Waiting for the confirmation of Exam Venues)**

### Part 3: The AS-AD model

8. The unemployment Theory  
Blanchard & Johnson, Chapter 6
9. The AS-AD Model  
Blanchard & Johnson, Chapter 7 (Homework 4)

### Part 4: Open Economy

10. Openness in goods and financial market, Blanchard chapter 18
11. Goods Market in Open Economy, Blanchard & Johnson Chapter 19-21  
(Homework 5)

### Part 5: The long Run model

12. The facts of Growth and The Solow Model  
Blanchard, Chapter 10 and Chapter 11 (Homework 6)

## **Exam 2: (Accumulative)**