HKUST Business School – Department of Economics

ECON 2123 – Macroeconomics (Spring 2019)
Section: L3 & L4
Course Syllabus[i]

Lecture and Venue:	L3: MoWe 10:30 – 11:50, CYT G010 L4: MoWe 09:00 – 10:20, CYT G010 1st lecture on Jan. 30 2nd lecture on Feb. 11 – No lecture on Feb. 4
Tutorial:	1st meeting on Feb 13 & 14 (basic math review) Subsequent meetings will be announced as we go. Please try to attend the tutorial section you registered for.
Course Website:	http://canvas.ust.hk
Instructor:	Fei DING
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Office Hours:	Drop by or make appointment
Teaching Assistant	Jeremy TO
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Office Hours:	We 14:00 – 16:00, Th 11:30 – 13:30, or by appointment

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. Closed economy will be examined first, followed by open economy in the short run. We will then move to the labor market and put all three markets together to derive the **AS-AD** model in the medium run. Lastly, we will further examine key aspects of **economic growth** in the long run. 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, Global Edition, written by Olivier Blanchard (and David R. Johnson), published by Pearson Education Inc.

Please note that the 7th edition book is available at the university bookstore, but 6th edition is more preferred. For students who are unable to find the 6th edition textbook, corresponding chapters and supplementary readings will be posted on the CANVAS 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)

Please visit http://www.bm.ust.hk/sbmlearn/eng/thirdcat.php?sid=5&thirdid=3 for details of SILOs.

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.

First tutorial meeting will start on Feb. 13 and 14, and will be arranged as needed on a weekly basis thereafter. Tutorials will review the lecture materials, work on selected exercises, and discuss homework problems before and after submission. Tutorial topics will be announced in advance on the 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.

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

E. Course Website

Course materials and announcements will be posted on the CANVAS Course Website (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. Please download the iPRS mobile app by visiting https://itsc.ust.hk/services/academic-teaching-support/teaching-tools/prs/iprs. 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.

There will be 10 PRS sessions for the whole course, and each session contains a number of multiple-choice questions that may span multiple lectures. Active participation in all ten sessions will earn you 5% of the course grade.

G. Examinations and Grades

Overall Grading for the Course

Your final course grade will be based on relative performance, i.e., curve grading. Students in L3 and L4 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 best outcome from the following two weighting schemes.

	Scheme 1	Scheme 2
PRS participation	5%	5%
Problem Sets	15% (= 5 * 3% each)	15%
2 out of 3 Quizzes	30% (= 2 * 15% per quiz)	30%
Mini project	0%	10%
Final Exam (cumulative)	50%	40%

PRS participation

You will earn 5% of the course grade if you participate in at least 9 out of 10 PRS sessions throughout the semester. You will get 3% if you participate in at least 7 out of 10 PRS sessions. You will earn zero if you participate in less than 7 sessions.

Problem sets

There are 5 problem sets. 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. 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 after the deadline. If you have any questions about the problem sets, please seek help from the TA.

(Optional) Mini project

Students are encouraged to sign up for a mini-project to receive up to 10% bonus credits, which can be used to reduce the final exam weights (see grading scheme 2). Please refer to separate project handout for a list of suggested topics. There are 3 slots available for CANVAS online sign-up per project per section. Students who sign up for a project will work

together as a team and contribute equally. No switching or backing out is allowed once you sign up.

The outcome of the project will be in the form of a 6-10 min in-class presentation, followed by 2-5 min Q&A. The presentation will typically consist of ~70% facts and ~30% of your own views and opinions. There are no right or wrong answers; you will be evaluated by efforts shown only. I expect all participants to receive the full 10% credit, unless repeated complaints are brought to me from your teammates. In such a case, I will down-grade your project score to 5% or 0, depending on the severity of the problem. Free riders will be penalized!

Presentation dates will be updated on the course website as we go. Before presentation, each group should submit your slides with the title page clearly showing the names and student IDs of all team members in order to receive proper credits. Please note that there are 18 projects listed in the handout, which will accommodate 54 participants per section. Thus, not all students can get a slot, so you need to sign up fast if you want to participate. You are also welcome to propose to me new projects of relevance and interest. For those students who do not want to participate, or cannot get a slot, your will be automatically evaluated by grading scheme 1.

Quizzes and the Final Exam

There will be 4 quizzes conducted via the CANVAS system throughout the course, among which 3 will be graded and 2 out of the 3 will be counted towards your final grade. The first quiz (Quiz 0) will be a free trail for students to familiarize themselves to the online system.

Quizzes will cover lecture & tutorial materials, problem sets, and any assigned readings. A typical quiz will last about 30 min, and mostly will be multiple-choice format. Sample practice questions will be available on the course website to help you with the preparation. All students must independently take the quiz at the pre-specified time slot, usually in-class except for the free-trial quiz 0. The quiz will not be available at any other times, and there will be NO make-up quizzes for whatever reasons.

Collaboration or discussion while taking a quiz is strictly prohibited, as it is considered cheating and will be reported to the school. Although I do not ban books, notes, and cheat sheets, I strongly recommend that you treat quizzes as closed-book exams. Time will be quite constrained, and you will surely run out of time if you have to go back and check your class notes.

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.

The final exam will be closed-book, closed-notes, and no electronic devices allowed. It will contain multiple-choice, true or false, and quantitative questions which require detailed explanations in words, graphs, and algebraic calculations. I will offer guidance on the format and preparation of the final exam toward the end of the semester.

Absence

You do not need to seek approval for absence from quizzes. Two best scores out of quizzes 1-3 will be applied in calculating your final course grade. If you miss **more than one quiz for**

whatever reasons, **you will automatically lose part of total course grade**. It is therefore your responsibility to make sure of your availability for at least two of the quizzes 1-3.

If, for any reason, you are unable to attend the 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 the final exam without prior approval of absence would result in ZERO score.

For students who are absent from the final exam with prior approval, a make-up final exam will be arranged by the department EO. The make-up exam will be scheduled as soon as possible and should be within one week after the official final exam date. 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 and department EO. Failing to meet any requirement may result in a ZERO score.

Grading disputes

Please check your grades as soon as they are released. Any disagreement should be reported to the TA **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 TA are written in pencil.

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

The TA 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 TA 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 all your emails for quickest response.

Please note the following guidelines for an efficient communication with your TA and the instructor.

1. Before you contact your TA 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 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 lectures 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	PRS 1
Part 2: The short run closed economy (IS-LM model)	Ch3	PRS 2
Problem set 1		
Quiz 0 (free trial)		
	Ch4	PRS 3
	Ch5	PRS 4
Problem set 2		
Quiz 1		
Part 3: The short run open economy	Ch17 (6th ed. 18)	PRS 5
	Ch18-19 (19-20)	PRS 6
Problem set 3		
Quiz 2		
Part 4: The medium run (AS-AD model)	Ch7 (6th ed. 6)	PRS 7
	6th ed. Ch7	PRS 8
Problem set 4		
Quiz 3		
Part 5: The long run (Growth model)	Ch10	PRS 9
	Ch11-12.1	PRS 10
Problem set 5		
Final Exam		

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