

Course Code: ECON 5200 (L3 and L4)

Course Title: Global Macroeconomics

Instructor: Francis T Lui Email: fnfntlui@ust.hk Phone: 2358 7606 Office: LSK 6083B

TA: Teresa Lau Email: ectylau@ust.hk Phone: 34692668 Office: LSK 6066

Course Credit: 2-credit

Course Grading: Letter Grade

COURSE OVERVIEW

This course explores several fundamental issues related to the macro economy in the context of the globalized world. In each of the seven classes, the necessary theoretical framework for analysis will first be developed. The theory will then be applied to some major real-world phenomena. It is expected that students will better understand the intricacies of the global economy and be able to make difficult business decisions after taking this course.

COURSE OBJECTIVES / LEARNING OUTCOMES

- 1) Students will be introduced to some modern analytic tools of macroeconomics. They will be able to apply these tools to explain real-world macroeconomic phenomena.
- 2) Students will learn some basic facts about several major macroeconomic phenomena that happened in recent years. They will also acquire much deeper understanding of these than what the popular press can tell them.
- 3) Much of the course is quantitatively oriented and evidence-based. Students will learn some quantitative methods and develop the habit of looking at facts before coming up with conclusions.
- 4) Sharing of views is strongly encouraged. Students will have the opportunity to practice articulating complex ideas in class.
- 5) The course will help students to develop a global view of how countries are inter-connected and how various economic variables are dependent on one another.

COURSE OUTLINE

Week 1: GDP Accounting and Sources of Economic Growth (The China Model)

Week 2: Globalization and Trade Wars (The Elephant Curve; Analytics of External Sector; Global Supply Chain)

Week 3: Strategies of Economic Growth (Comparative Advantages; Belt Road Initiative; Africa)

Week 4: Business Cycles and Economic Crises (Great Depression, Great Recession, Asian Financial Crisis)

Week 5: Fiscal Expansion and Contraction (Debt Crises in various nations)

Week 6: Economic Integration (European Union)

Week 7: Monetary Policy and Monetary System (Effectiveness of Monetary Policy; Hong Kong's Currency Board)

Week 8: Final Exam

GRADING / ASSESSMENT

Class Participation: 15%; Final Exam: 85%

COURSE MATERIALS

Textbook: Andrew Abel, Ben Bernanke and Dean Croushore, *Macroeconomics*, 9th edition

Optional Readings: A more detailed reading list will be updated later.

INSTRUCTOR'S BIO

Francis T. Lui is Adjunct Professor and an Honorary Fellow at the Hong Kong University of Science and Technology. He was Professor of Economics, Head of the Department of Economics, Associate Dean of the Business School and Director of the Center for Economic Development at HKUST. Studying under several Nobel laureates in Economics, he received his undergrad and doctoral degrees from the University of Chicago and University of Minnesota, respectively. He joined HKUST as a founding faculty in 1991.

Professor Lui's research interests include economic growth, social security, corruption, family economics, exchange rate systems, the Hong Kong economy and the Chinese economy. Author or editor of 13 books, he has published numerous articles in leading international journals, such as *Journal of Political Economy*, *Journal of Public Economics*, and *Journal of Economic Dynamics and Control*. He had served on the editorial boards of *Journal of Human Capital* of the University of Chicago Press, *China and the World Observer* of Tsinghua University, and the *Pacific Economic Review*. A well-known commentator, he has been a member of numerous government advisory bodies.