Hong Kong University of Science and Technology
Managerial Macroeconomics, ECON 3024, Fall 2019
(course website is accessible through http://canvas.ust.hk)

Instructor: Yang Lu (yanglu@ust.hk)
Office Hours: by appointment, LSK 6059
Lecture Time and Location: Tue & Thu 9-10:20am, Room 2503, Lift 25-26

Teaching Assistant: Astor Fok (ecastor@ust.hk)
Office Hours: by appointment, LSK 6066A
Tutorial Time and Location: Tue 6-6:50pm, LSK 1010

Course Description:
This course modifies and extends the standard models studied in introductory
macroeconomics course (2123), highlighting the role of expectations in determining
the aggregate output, the inflation, and the asset prices.
The course consists of two parts: (A) lectures on the models and their applications on
the economics issues such as monetary and fiscal policies, financial crises, and
exchange rate policies; and (B) group research projects undertaken by the students to
help them understand the models better and practice the skills on problem solving,
team-work and presentation.

Pre-requisites: Econ 2123

Main Textbook:
Blanchard, Macroeconomics, 7th edition (2017), Global edition, Pearson Education
Inc.
*Remark: This edition is significantly different from the previous ones. You are
strongly advised to purchase it from the bookstore.*

Tentative Topics:
1. The modern conduct of monetary policy
2. Financial crisis and the limitations of policies
3. Phillips curve and the role of expected inflation
4. IS-LM-PC model
5. Exchange rate regimes
6. Financial markets and expectations
7. Consumption, investment, and expectations
8. Technology progress and unemployment

Depending on our progress, we may or may not cover all these topics**.**

Suggested Materials for Curious and Open Minds:
- Economist: http://www.economist.com
- Freakonomics Radio (Podcast)
- TED Radio Hour (Podcast)

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

At the end of the semester, you should be able to

1) analyze qualitatively and quantitatively macroeconomic problems (PILO #1, 3)
2) gather and organize the relevant macroeconomic information for practical situations (PILO # 1, 3)
3) evaluate effects of macro shocks and policy changes on firms and industries (PILO #4)
4) communicate effectively in oral and written English (PILO #2)
5) engage in debates and discussions in a constructive way (PILO #5, 6)
6) work collaboratively with team members on research projects (PILO #5)

Implementation of Course ILOs:

Teaching & learning activities	Roles in the course	Course ILOs addressed
Lectures	Learn key concepts, models, and their applications	1,2,3
Tutorials	Review materials of ECON 2123; discuss practice questions (both analytical and numerical).	1,2,3
Group research projects	Work as a group to identify the research topic, determine the research methodology, carry out the research plan, and communicate the research outcomes in both oral and written English.	4,5,6

Grading Policy:

Assessment Activities		Weighting		Course ILOs assessed
Final exam (Nov 12 in class)		50% or 0%		1,2,3
Group research project	Project topic and abstract	0%	50% or 100%	4,5,6
	Research plan & reading list	5%		
	Draft term paper	10%		
	Two presentations (+interactions)	20%		
	The term paper	10%		
	Peer evaluation by group-mates	5%		

Remark: Members of the same group will receive the same scores for items under the group research project **except for the peer evaluation score**. The peer evaluation score of individual student will be determined by his/her group-mates.

Important Dates	Activities
Sep 24, 2019 in class	Names of group members due
Oct 6, 2019	Project topic and abstract due
Oct 20, 2019	Research plan & reading list due
Week 8 (Oct 22 – Oct 24, 2019)	Proposal presentations (15mins) (we will utilize tutorial time if necessary)
Nov 12, 2019 in class	Final exam
Nov 17, 2019	Draft term paper due
Week 12-13 (Nov 19 – Nov 28, 2019)	Presentation of research papers (25mins) (we will utilize tutorial time if necessary)
Dec 6, 2019	Term paper due

Detailed Course Policies:

Tutorial: There will be **weekly** tutorial.
It serves three purposes: 1) briefly review materials from ECON2123 on which the current course is based; 2) study practice questions to gain better understanding about the course materials and to acquire data processing skills; 3) host student presentations if there is not enough time in lecture.

Final exam: Your final-exam score will be 50% of your overall course score if it turns out to be higher than the score of your group project (including the peer evaluation score). If your final-exam score turns out to be lower than the score of your group project (including the peer evaluation score), your group project will count for 100% of your course score. **This means that a good final-exam score will raise your grade but a low final-exam score will NOT lower your grade**.

There will be **NO make-up exam** for the final exam. If for any reason you are unable to attend the exam, you must support your absence by a valid document, such as medical certificate issued by a registered medical practitioner. Your group project (including the peer evaluation score), will then count for 100% of your course score. Absence from the midterm without any supporting document will result in a **penalty**: your overall course score will be the score of your group project (including the peer evaluation score) multiplied by 0.8.

In case of grading dispute of the exam, with the exception of arithmetic errors, the instructor will handle them. In order to avoid problems associated with self-selection, disputes on individual questions will result in re-grading of the entire exam by the instructor. The re-graded score will be final and it may be higher or lower than the original one. Requests for re-grading must be submitted in writing to the instructor within one week since the score is first published.

Research group: Please interact with your fellow classmates in the first few weeks to organize yourselves into research groups of 5-6 members. On **Tuesday 24 September 2019**, you should submit an index card **in class** with the following information: group name, the names and student IDs of all group members, and the email of the contact person of the group.

Project topic and abstract: Each group needs to decide on a research topic related to Macroeconomics and write a term paper based on primary or secondary research. I will let you know the expectations of a good research-based term paper in the first lecture. Every group MUST come to see Prof. Lu to discuss the possible topics on or before 4 October 2019. The final chosen topic must be approved by Prof. Lu. **By 11:59pm, Sunday 6 October 2019**, each group needs to upload a file to the course website **on canvas** with the following information: the chosen research topic and a brief description about what you want to research.

Research plan & reading list: After deciding on the topic, each group needs to work out a 2-page research plan including: the specific questions to be answered, why they are interesting, how do you plan to answer these questions, what do you know already and what will you be reading to find out more. A list of reading with full citation including the data source (if applicable) needs to be attached to the research plan. The research plan with the reading list is due **on canvas at 11:59pm, Sunday 20 October 2019**. Every student registered in this course should read **all** the research plans of other groups.

Presentation of research proposal: Each group will take turns to present the research plan **in class during the week of October 21, 2019**. Your exact slot will be decided later. Each group will be given 15 minutes to present and 5 minutes to answer questions from the audience. Each group is expected to actively participate in the presentations of other groups and critically comment on the research plans of other groups.

Draft term paper (soft copy only): Each group should submit the draft term paper **on canvas by 11:59pm, Sunday 17 November 2019**. Every group is expected to read **all** the draft term papers of other groups.

Presentation of research paper: Each group will take turns to present their draft term paper **in class during the 12th week and the 13th week of the course**. Your exact slot will be decided later. Each group will be given 25 minutes to present and answer questions from the audience. Each group is expected to actively participate in the presentations of other groups and critically comment on the term papers of other groups.

Final version of term paper (one hard copy and one soft copy): Each group should improve their term paper based on the feedbacks in the presentations. The final version of term paper needs to be submitted **by 6pm, Friday 6 December 2019** (the soft copy uploaded on canvas and the hard copy in the 3024 homework box near the general office of the economics department, 6th floor of LSK building). The maximum length of the main text is 3000 words (excluding appendices, references and footnotes). The paper may include tables, diagrams as appendices. References must be listed at the end of the paper, and footnotes must be inserted at appropriate places.

Peer evaluation: At the end of the semester you will be requested to evaluate your group-mates through an online evaluation form according to the following scoring rubric. Any student who does not evaluate each of his/her group-mates will receive **zero** mark for peer evaluation. In other words, to receiver your own peer evaluation marks, you must evaluate **each** of your group-mates.

Peer Evaluation Scoring Rubric (Maximum marks: 5)

Category	1 mark	3 marks	5 marks
Contributions	Rarely provides useful ideas when participating in the group. May refuse to participate.	Sometimes provides useful ideas when participating in the group. A satisfactory group member who does what is required.	Routinely provides useful ideas when participating in the group. A definite leader who contributes a lot of effort.
Quality of Work	Provides work that usually needs to be redone or checked by others to ensure quality.	Provides work that is usually of good quality, but occasionally needs to be redone or checked by others to ensure quality.	Provides work of the highest quality.
Working with others	Rarely listens to, shares with, and supports the efforts of others. Often difficult to communicate with, or not a good team player.	Often listens to, shares with, and supports the efforts of others. But sometimes is not a good team player, or communication is erratic.	Almost always listens to, shares with, and supports the efforts of others. Tries to keep people working together.

<u>Important Remark on the final version of term paper</u>: to protect your intellectual property right and to facilitate knowledge accumulation, your term paper will be kept in a paper pool for up to 5 years. Future cohorts of students will have access to the paper pool and your paper will be properly cited if it contributes to their work. If you have any concern on having your paper in the paper pool, please come to see Prof. Lu **before 16 September 2019**. After the deadline 16 September 2019, it is assumed that you have agreed on this policy.

Ground Rules:
Mobile phones and any other disturbing electronic devices must be switched to the silent mode. Students are expected to attend all the classes **on time**. Academic honesty and integrity can never be emphasized enough, and any violation will be seriously punished. Please get familiar with the rules by checking the following website: http://www.ust.hk/vpaao/integrity/.

Final Notes:
Student feedback is essential for course improvement. At any time during the semester you are encouraged to give me and/or the TA feedbacks on the lectures and/or the tutorials orally or anonymously (e.g., via campus mail, or slip a note under my office door). End-of-course survey is another excellent way for you to provide detailed feedbacks of the course. Every voice should be heard!