

HKUST Business School - Department of Economics

ECON 2123 L3/L4 - Macroeconomics (Spring 2021)

Course Syllabus

A. GENERAL INFORMATION:

Lecture Time:	L3: Mo 4:30PM - 5:50PM & Fr 12:00PM - 01:20PM L4: Mo 3:00PM - 4:20PM & Fr 10:30AM - 11:50AM
Teaching mode:	Real-time online mode via zoom (According to university policy, all classes with enrolments greater than 75 will only be held in real-time online mode.) Please use your UST account to access zoom meetings via Canvas. Passcode: ec2123sp21 L3 Mo: zoom code 917 8658 7087 https://hkust.zoom.us/j/91786587087?pwd=ajlOK2VgeXRWQVVUMWxIZXNDaWwxUT09 Fr: zoom code 953 4370 9766 https://hkust.zoom.us/j/95343709766?pwd=dkxUR0dSaHBqRDgvcGV1OXd0ZmphQT09 L4 Mo: zoom code 936 7905 1583 https://hkust.zoom.us/j/93679051583?pwd=VjFjL0ExcTlvZldhT3JlRlRwXVZRaZz09 Fr: zoom code 959 9489 3079 https://hkust.zoom.us/j/95994893079?pwd=ZTVBQUINbHMrYkZzSWMxREI2eUdVdz09
Course Website:	canvas
Instructor:	Yao Amber LI
Email	yaoli@ust.hk
Office Hours:	Fixed office hour (starting from Week 3): Tu 10:00-11:00 PM Zoom code: 986 1958 0703 passcode: ec2123sp21 Plus office hours by appointment & Extra office hours before exams
Teaching Assistant:	Astor Pik Lin FOK
Email	ecastor@ust.hk
Office Hours:	Fixed office hour (starting from Week 3): Thurs 1:20-2:20 pm (zoom code TBA) Plus office hours by appointment & Extra office hours before exams
Tutorials:	T3A: Fr 3:00-3:50PM; T3B: Fr 5:00-5:50PM, Zoom code (TBA) T4A: We 1:30-2:20PM; T4B: We 12:30-1:20PM, Zoom code (TBA) Weekly tutorial sessions will start from Week 3 since Week 2 contains public holidays. The first tutorials will be on the date of <ul style="list-style-type: none"> • T3A & T3B: Friday February 19 • T4A & T4B: Wednesday February 17

B. WHAT IS THIS COURSE ABOUT?

Course Description

This course is an introduction to macroeconomic theory and policy analysis. We will start by introducing key macro variables that measure aggregate economic performance. We will study three types of equations to model macro economy, including behavioral equations. The relationship among the macro economic variables, represented as “equilibrium” in different markets, will be studied in the short run, the medium run, and the long run. In the **short run**, we will apply the analysis first to the goods and money markets, which form the foundation for the **IS-LM** model. Next we will discuss the labor market and put all the markets together to derive the **AS-AD** model in the **medium run**. Then we will move to **open macroeconomic** issues in the **short run** model. Depending on time, we will examine the process of economic growth in the **long run** if time allows. Such a theoretical framework will allow us to study the impacts of fiscal and monetary policies on the economy. The basic teaching materials closely follow the main textbook and lecture notes.

Further discussions on a variety of current macroeconomic issues might be undertaken. Topics may include the financial crisis, the quantitative easing, the revaluation of the Renminbi, and the topics applicable to Hong Kong and the Asia-Pacific regions etc., subject to our class content adjustments when we go along. Students are encouraged to read one of the following magazines regularly:

- Economist: <http://www.economist.com/>
- Financial Times: <http://www.ft.com/home>
- Wall Street Journal: <http://asia.wsj.com/home-page>

Required Textbook

Title: Blanchard, Macroeconomics, Global Edition, 8th Edition, Pearson Education

(If you use older editions, it is also fine)

Supplementary readings will be posted on the Course Website.

Course Code	ISBN	Title	Author	Edition	Publisher	Discounted Price
ECON2123	9781292351476	Macroeconomics, Global Edition (Physical Textbook)	Blanchard	8	Pearson	\$387.00
ECON2123	9781292351520	(Ebook) Macroeconomics GE	Blanchard	8	Pearson	\$344.00

- Print Book Discounted Price is from Commercial Press UST.
- eBook Platform: VitalSource, <https://www.vitalsource.com/en-uk/>
- eBook Download License Type : Perpetual, up to two electronic devices
- eBook Online Reading License Type : Expires 365 days after registration
- Students can click the following link to purchase textbook and they are required to login their student account to purchase the textbooks.
 - https://w5.ab.ust.hk/cgi-bin/std CGI.sh/WService=broker_ba_p/prg/ba_stdt_main.r

Learning Outcomes – School Intended Learning Outcomes (“SILOs”):

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)

For the details of SILOs, please refer to:

<http://www.bm.ust.hk/sbmlern/eng/thirdcat.php?sid=5&thirdid=3>

Course Outline and Tentative Schedule (Detailed schedule will be updated when we go along)

- I. Introduction and Measurement (Chapter 1 and 2): Weeks 1-2
- II. The Short Run
 - a. The Goods Market and The IS Relation (Chapter 3): Week 3
 - b. Financial Markets and The LM Relation (Chapter 4): Week 4-5
 - c. Goods and Financial Markets: The IS-LM Model (Chapter 5): Week 5-6
- III. The Medium Run
 - a. The Labor Market (Chapter 7): Week 7
 - b. Putting All Markets Together: The AS-AD Model (Chapter 7 from the 6th edition, will be provided specifically): Weeks 8-9
- IV. The Open Economy
 - a. Openness in Goods and Financial Markets (Chapter 17): Week 10
 - b. The Goods Market in an Open Economy (Chapter 18): Week 11
 - c. Output, the Interest Rate, and the Exchange Rate (Chapter 19): Week 12
- V. The Long Run (if time permits)
 - a. The Facts of Growth (Chapter 10): Week 13
 - b. Saving, Capital Accumulation, and Output (Chapter 11): TBA
 - c. Technological Progress and Growth (Chapter 12): TBA

Course Format / Teaching Approach

This course is primarily delivered through lectures, tutorials, and class discussions.

Polling questions will be used during lectures to encourage class participation and sharing among students and instructor. Please try to attend all lectures and participate actively in class discussions.

Tutorial sessions will start from Week 3. Detailed tutorial topics will be announced in advance by TA on Course Website each week. 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 and Learning Activities	Roles in the Course	SILOs addressed
Lectures	Explain key concepts, models, and their applications; Cases and examples to build student's critical and analytical ability	1, 2, 3, 4, 5, 6
In-class Q&A through Polling questions	Encourage class participation, critical thinking and discussion	1, 2, 3, 4, 5, 6

Tutorials	Review basic math and concepts, practice problem-solving, presenting answers to homework and exams	1, 2, 3, 4
Homework assignments & practice quiz	Enhance understanding of course materials and their application through problem-solving practice	1, 2, 3, 4, 5

Course Website

Course materials and announcements will be posted on the Course Website at <https://canvas.ust.hk/>. It is YOUR responsibility to check for the latest information.

C. HOW DO WE ASSESS YOUR PERFORMANCE:

Overall Grading for the Course:

Students in L3 and L4 will be evaluated separately.

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

Homework	15%
Practice quiz	3%
Class participation (zoom + polling questions)	5%
Pre-exam Check-up session	2%
One Midterm Exam and One Final Exam (CUMULATIVE) with two schemes	75%

Homework (15%): you will be given **three or four** problem sets during the semester.

- You MUST submit your problem sets online via the CANVAS. 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 can discuss with your classmates as you wish. But you must each turn in your own solution. Problem sets will be graded according to your effort.
- Suggested answers 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 or professor.

Practice Quiz (3%): After each chapter (except for Chapter 1) we will release some questions as a practice quiz for that chapter. Unlimited attempts to submit your answer. Graded based on efforts.

- Two submission deadlines for practice quizzes will be given: one is before midterm exam for Chapter 2-5 (the coverage of the midterm exam) and another is before final exam for all other chapters.
- You MUST submit your practice quizzes online via Canvas before the assigned deadlines.

Class Participation (5%):

- Includes (i) participation of zoom meeting lectures, and (ii) participation of polling questions (not based on the accuracy of your answer), for the period after Add/Drop (18th Feb - 8th May).
- Only the participations of **your enrolled sessions** count.
- For part (i), you can skip up to **4 lectures**, i.e., the number of required participated lectures is the total number of lectures after Add/Drop period **minus 4**.
- No need to notify us if you cannot make it to a lecture.

Pre-exam Checkup Session (2%): We will hold a pre-exam check-up session in one of our tutorials before the midterm exam and the final exam. The purpose is to have a dry-run of the exam and resolve technical issues if there is any. Attending this session and following the instruction is mandatory.

Exams (75%, with two schemes): There will be ONE midterm exam and one final exam (TBA). Grading scheme: max (30% Midterm + 45% Final, 35% Midterm + 40% Final)

- There will be ONE midterm exam. The midterm exam will cover lecture materials, problem sets and assigned readings (if any). The midterm exam is an **online zoom proctored exam (March 29, Monday, 7:30-9:30PM) for two sessions together**. Please make sure your availability. It may contain multiple-choice, true & false questions and short-answer questions which require explanation in writing, graph and calculation.
- The final exam is **CUMULATIVE** but focuses on the materials covered after midterm exam (Chapter 7 and subsequent chapters). It may contain multiple-choice, true & false questions and essay-type questions which require explanation in writing, graph and calculation.

Absence from Midterm and Final Exams:

- Note that outside activities or more than one exam in a day are not acceptable excuses for missing an exam. (Please plan accordingly!)
- If for any reason you are unable to attend the midterm or final exam, you must seek approval of absence from me directly **BEFORE** the exam. Your request should be supported by valid documents, such as medical certificate issued by a registered medical practitioner. 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 midterm weight will be reallocated to the final exam which will make the final exam account for 75% of the final grade. In other words, there will be **no make-up midterm exam**.
- For students who are absent from the final exam with prior approval, a make-up exam will be arranged. 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 the responsibility for those who request for a make-up exam to ensure their availability. The make-up arrangement can be in the form of written-exam, oral exam or research paper, etc.
- Please NOTE that the instructor has the final discretion on all arrangements of the make-up exam. Students who request for the make-up final exam should comply all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

Re-grading Policy:

- Please check your grade of homework assignments and midterm as soon as grades are released.
- If you believe that there is an error in the grading (with the exception of arithmetic errors):
 - You can file a formal, typed re-grading request to your TA. The request should list the question you want to be re-graded and an explanation of why.
 - The request should be emailed to your TA **within 7 days** from the date of releasing your score. Late complaints will not be accommodated.
 - The TA reserves the right to regrade the entire homework assignment or exam. Scores may increase or decrease as a result of reassessment.

Remarks to Grading:

- I try my best to make the grading policy as clear as possible. When you have any questions or when you encounter any difficulties in studying, please do not hesitate to consult me either in or out of class

throughout the semester. **I'd be delighted to help you succeed in the course!** Also please remember that ultimately it is you who EARN the grade and are responsible for building up your own academic records! So, if you know what grade you need to earn (or want to earn) for graduation, scholarship, exchange opportunities, honors, etc., you need to make the CORRESPONDING effort to achieve your objective.

D. WHEN YOU HAVE QUESTIONS OR SUGGESTIONS...

Email Policy

- Please add [Econ 2123] in the subject line of your email.

Office Hours

- Weekly regular office hour by professor (starting from Week 3): Tu 10:00-11:00 PM Zoom code: 986 1958 0703 passcode: ec2123sp21
- If you are not available during the time above, we can arrange a separate meeting. Alternatively, we can just talk before or after lessons.
- You can also go to TA's office hours.
- Both Professor and TA will hold some extra office hours before exams.

Questions asked right before exams and due dates of problem sets may not be answered.

E. STUDENT CONCELLING

If you experience personal and family problems, as well as emotional difficulties, please seek help from the Counseling and Wellness Center. It is available to consult with you regarding various emotional health issues that may affect you or your friends. The Counseling and Wellness Center is in Room 5003, Academic Building (via Lift 3). You can also make an online appointment with student counselors. Outside office hours, you can call 8208 2688, which is a 24-hour helpline for all HKUST students.

F. Academic Honesty and Student Conduct:

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 Regulations for Student Conduct and Academic Integrity. Please check the following link for more details:

<https://acadreg.ust.hk/generalreg.html>

G. Final Notes:*

Student feedback is essential for course improvement. I encourage continuous teaching evaluation. At any time during the semester, you may verbally or anonymously give me your feedback of my teaching. This evaluation could include the following headings: 1) Things that I like; 2) Things that I dislike; and 3) Suggestions for improvements.

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