

Hong Kong University of Science and Technology

Economics Department 2-credit course

Topics in Economic Dynamics II, ECON 6121B, Spring 2025

(course website is accessible through <http://canvas.ust.hk>)

Instructor: Yang Lu (yanglu@ust.hk)

Office Hours: by appointment, LSK 6059

Lecture Time: Monday 10am-11:50am, 1pm-2:50pm

Lecture Location: Rm 1026 LSK

Teaching Assistant: Zhenghua Qi (zqiae@connect.ust.hk)

Teaching mode: Face to Face

Pre-requisites: Econ 6121A

Course Description:

This 7-week course will cover public policies including taxation, government debt, and monetary policy. We will discuss optimal policies, the implementations, how they interact with each other, and their implications on asset prices and exchange rates.

Course objectives and intended learning outcomes:

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

1. Articulate the theoretical underpinnings of public policies, including taxation, government debt, and monetary policy. (PILO #1)
2. Critically evaluate existing economic literature on the design, implementation and implications of public policies. (PILO #1)
3. Identify research questions on the design, implementation, or implication of public policies. (PILO #2)
4. Present complex economic concepts and policy analyses clearly and effectively (PILO #3)

Program intended learning objectives (PILO): <https://econ.hkust.edu.hk/programs-n-courses/mphd/program-curriculum>

Teaching and learning activities

March 17-Apr 14: Lectures

Apr 28: Student Presentations of Selected Papers

May 12: Student Presentation of Research Proposals

Grading Policy:

50%: Paper Presentation

50%: Research Proposal Presentation

Reference Textbooks:

RMT: Recursive Macroeconomic Theory by Ljungqvist and Sargent

NEW: https://phdmacrobook.org/wp-content/uploads/2024/09/MACROECONOMICS_Consistent_2024_09_13.pdf

Tentative Topics:

1. Overview (Mar 17: 10am-11:50am)
2. Government and fiscal policy (Mar 24)
3. Central bank and monetary policy (Mar 31)
4. Monetary policy, fiscal policy and sovereign debt (Apr 7)
5. Implications on asset prices and exchange rates (Apr 14)

(Required and recommended readings will be posted on canvas)