

HONG KONG UNIVERSITY OF SCIENCE & TECHNOLOGY



Department of Economics ECON 5200

Global Macroeconomics (MBA) (Spring I, 2025-26)

INSTRUCTOR

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CLASS SCHEDULE

Lecture times are Mondays 7-10:20pm. Teaching mode is “Online” on Zoom. Students participating via Zoom are required to have cameras on, which is MBAO policy.

COURSE DESCRIPTION

This course provides business executives with an introduction to the state of the global economy and macroeconomic policy. Topics include national income accounting, unemployment, inflation, monetary and fiscal policies and international economic interactions. Stress is placed on the application of economic theories to help navigate macroeconomic phenomena and contemporary policy debates. Recent contemporary topics include the Silicon Valley Bank shock, the disruptions to supply chains due to COVID-19 and the Russian-Ukrainian War, energy shocks and the divergence of monetary policy between the People’s Bank of China and the Federal Reserve. Cases studied have a global reach ranging from China to India, Europe and South America, each of which apply learning outcomes from theory studied in the course. A thorough introduction to the China economy and growth experience (past and present) is a key course objective.

INTENDED LEARNING OUTCOMES

After completing this course, students should be able to understand, explain and apply to real World economic events:

- (1) Macroeconomic concepts such as gross domestic product (GDP), consumer price index (CPI), unemployment rate, and economic growth rate.
- (2) Economic models that explain economic growth and short-term shocks in the business cycle.

- (3) The role of finance in the macroeconomy – the banking sector, the creation of money, the role of central bank and its impacts on monetary policy.
- (4) The role of government and effects of fiscal policy.
- (5) The international economy in the context of foreign exchange and balance of payments (BOP).
- (6) The interdependence between the China economy and the global economy

PREREQUISITES

No formal prerequisite. This course does NOT require university mathematics. Analytical concepts are mainly taught using graphical methods. While some simple equations may be used, calculus is NOT required. Theory is supported by real World applications for greater understanding.

RECOMMENDED LEARNING RESOURCES

Mankiw, N.G., Principles of Economics, 8th Edition, Cengage Learning, 2015 or later editions
 Frederic S. Mishkin, The Economics of Money, Banking, and Financial Markets, 12th edition, Global edition, 2019. Case studies have been provided and I will provide additional reading as required on Canvas, prior to each teaching week, as required.

FINAL EXAM

The final exam will test your knowledge on the material in the course for 45% of total grade.

GROUP PRESENTATION

The objective of this presentation is to apply various concepts learned in this course real-world situations. Each group will be assigned a particular economy. You will be asked to research the background of a given economy and present this in class in a PowerPoint deck. This will be worth 20% of your assessment plus a peer evaluation score of 5% for a total of 25%.

ASSESSMENT SCHEME

Task nature	Description	Weight
Group Presentation	PowerPoint oral presentation in class	20%
Peer Evaluation	Individual contribution to group work	5%
Assignments	Two short individual assignments, each worth 10%	20%
Class Participation	Constructive contribution to class discussions	10%
Final Exam	Final Exam in 8 th Week	45%

CHAT GPT POLICY

Restricted use of ChatGPT is permitted. It is NOT permitted in exams, which are closed book. In assignments or projects, students must reference the use and state clearly how they have used (prompts) ChatGpT in a statement in their written work, clearly stating which app they have used. Simply copy and pasting a ChatGpt result will be considered plagiarism, which is not permitted, but thoughtfully using ChatGpt content, appropriately referenced, is permitted.

COURSE SYLLABUS

Please note this is a tentative schedule. Topic order may be changed and some topics may be removed or modified, based on time constraints, student progression, and continuous improvement.

Classes will be held on the following Monday evenings: 7pm-10:20pm

Lecture	Date	Topics ¹	Reference ²
1	Jan 26	Introduction to ECON 5200 – Course Outline and Admin. Project Outlines. Key Economic Challenges in 2023-24. Foundational Concepts – GDP, Cost of Living, Unemployment	Course Notes, and Ch.23-4, 28
2	Feb 2	Economic Growth – We develop a heuristic version of the Neo-Classical Growth Model and apply it to China	Course Notes, Ch.25
3	Feb 9	Savings and Investment and the Financial System – How Financial System, Households, Firms and Government Interact to determine market interest rates	Course Notes and Ch.26, 4**
4	Feb 23	Monetary System and Monetary Policy Tools – The role of Central Banks in the Monetary System and their influence over inflation, unemployment and interest rates.	Course Notes and Ch.29, 15**
5	Mar 2	Monetary Growth, Inflation & Monetary Policy – Classical model of Money - Money Neutrality, the Quantity Theory, Hyperinflation and the role of Monetary Policy	Course Notes and Ch.30, 16-17**
6	Mar 9	Open Economy Macroeconomics – An Introduction - Long-run models such as Purchasing Power Parity, Inflation-Depreciation Spirals to study the Venezuelan Crisis, GFC, Brexit and Contemporary Issues	Course Notes and Ch.31
7	Mar 16	Applying Aggregate Demand and Supply in Cases and Contemporary Economic Challenges – Study COVID-19, GFC, and a presentation on Trump’s economic agenda .	Course Notes & Ch.26**, Ch.33
8	Mar 23	Final Exam	

References (no asterisk) for Mankiw except ** Mishkin. See recommended learning resources for details.

CASE READINGS

The teaching cases are posted on Canvas. Students are expected to read the cases before the class, and share their views in the class discussion. The cases chosen for the class this year are as follows:

China’s Miracle Economy - *China's Miracle Economy: Causes, Consequences, and Current Status*, John Marthinsen; Nestor Azcona (2017)

India’s Demonetization - *India's Demonetization: A Short-term Loss or a Long-term Gain?*, Geeta Singh; GV Muralidhara

Venezuela’s Macro Crisis - *Venezuela's Macroeconomic Crisis: An Enduring Ordeal Of Worsening Economy With Alarming Inflation*, Vighneswara Swamy; Kotireddy Tamma (2017)

ASSESSMENT TIMETABLE, CASE STUDIES, GROUP DISCUSSIONS

¹ Case study and supplementary reading information will be provided during class.

² Chapters without asterisks refer to Mankiw, N.G., Principles of Economics, 8th Edition, Cengage Learning, 2015 or later additions

Please note this is a tentative schedule and will be modified when necessary.

Lecture	Date	Cases ³	Assessment
1	Jan 26		
2	Feb 2	China's Miracle Economy	Assignment 1 Posted
3	Feb 9		
4	Feb 23	FOMC Statement	Assignment 1 Due & Assignment 2 Posted
5	Mar 2	India Demonetization	
6	Mar 9	Venezuela Macro Crisis	Assignment 2 Due
7	Mar 16 ⁴	Trump's Economic Agenda	Group Prez
8	Mar 23		Final Exam, Group Prez

EXPECTED WORKLOAD IN ECON 5200

This is not an easy course for some students. The average student should expect to work at least 1 hour on their own for each class hour in this course to understand the material. If you find this type of material challenging, then you will need to put in more work. Class lectures will be posted well ahead of class and students are advised to read the material before lectures. For most students the lecture notes are sufficient but these are complemented by reference chapters in the syllabus on the previous page. We advise students form study groups to discuss course material and unresolved issues can be directed to the teaching assistant or the professor by email or via office hours.

ACADEMIC INTEGRITY POLICY

Honesty and Integrity is a central value in HKUST. Please be aware of the importance to maintain a high standard of honesty in assignments, group projects and examinations in this course. Please familiarize yourself to the university rules and the HKUST academic honor code by visiting following website: <http://www.ust.hk/vpaa/integrity/>

³ These are the formal case studies used in this course. However, we will use other material as discussed in class to analyze several other contemporary and historical economic cases.

⁴ Group presentations are due March 15 for all groups.