

HONG KONG UNIVERSITY OF SCIENCE & TECHNOLOGY



Department of Economics ECON 5200

Global Macroeconomics (MBA) (Fall II, 2025-26)

INSTRUCTOR

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CLASS SCHEDULE

Lecture times are Sundays November 2, 16 and 30 and December 14, 9am - 12:20pm and 2pm - 5:20pm. Venue is Room G001 LSK Building. Teaching mode is “face to face”.

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.

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.

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.

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

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.

EXAM

There will be a 2-hour exam held on December 14, accounting for 40% of the total grade. This will be held in class and is closed book but a hand written 1-page A4 sized cheat sheet (both sides) will be permitted.

GROUP PRESENTATION

The objective of this project 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 provide a background economic dossier on the economy of each nation in PowerPoint form (due Dec 13) and present this in class in 10 minutes, followed by a brief class Q&A. The group presentation is worth 20% of the total grade and a peer evaluation score of 5% so as to encourage ALL group members to contribute, limiting “free rider” behavior. The group presentation is due December 13.

CHAT GPT POLICY

Restricted use of ChatGPT is permitted. It is NOT permitted in exams or quizzes, 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.

ASSESSMENT SCHEME		
Task nature	Description	Weight
Group Presentation	Group (PowerPoint) Report and Class Presentation	20%
Peer Evaluation	Individual Contribution to Group Work	5%
Exam	Covering material from Nov 2 – 30	40%
Individual Assignments	Two short individual assignments, each worth 10%	20%
Class Participation	Constructive contribution to class discussion	15%

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 Sundays: AM (9:00am-12:20pm), PM (2pm-5:20pm)

Lecture	Date	Topics ¹	Reference ²
1	Nov 2 AM	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	Nov 2 PM	Economic Growth – We develop a heuristic version of the Neo-Classical Growth Model and apply it to China	Course Notes, Ch.25
3	Nov 16 AM	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	Nov 16 PM	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	Nov 30 AM	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	Nov 30 PM	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	Dec 14 AM	Exam – 2 hours Applying Aggregate Demand and Supply in Cases and Contemporary Economic Challenges – Study COVID-19, Supply Chain Disruptions, Energy Shocks, the Ukraine and our biggest Economic Challenge in 2023-24 – Stagflation Risk!	Course Notes & Ch.26**, Ch.33
8	Dec 14 PM	Class Presentations	

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

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

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

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

Lecture	Date	Cases ³	Assessment
1	Nov 2 AM		
2	Nov 2 PM	China's Miracle Economy	Assignment 1 Posted Due Nov. 16
3	Nov 16 AM		
4	Nov 16 PM	FOMC Statement	Assignment 2 Posted Due Nov. 30
5	Nov 30 AM	India Demonetization	
6	Nov 30 PM	Venezuela Macro Crisis	Assignment 2 Due
	Dec 13		Group Presentation Due
7	Dec 14 AM		Exam
8	Dec 14 PM		Class Presentations

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.