

Econ 3123 (L1): Macroeconomic Theory I

Instructors

Instructor: Zhigang Ge (zhigangge@ust.hk)

Lecture Time: Tue & Thu, 13:30-14:50

Office Hours: Fri 10:00-12:00 & by appointment

Zoom Links: Canvas

Teaching Assistant: Dominic J. Pegler (ecdjpepler@ust.hk)

Office Hours: Thu, 16:00-18:00

Zoom Links: Canvas

Course Description

This is an introductory course to macroeconomic theory. It introduces you to the key variables that economists use to measure a country's economic performance and standard of living. Based on observations on the relation among those variables from data, we develop macroeconomic theories to explain those relations. Furthermore, we use the developed theories to analyze the causes and consequences of economic fluctuations and economic growth, since economic fluctuations matter for the short-run welfare of households, especially those who are heavily affected, and economic growth matter for the overall welfare of households in the long-run. The course thus will proceed in this order: i) measurement of basic macroeconomic variables; ii) theories on economic fluctuations in the short-run and medium run; iii) theories on economic growth.

Textbook

Blanchard, Macroeconomics, 8th edition (2018), Pearson.

Course Materials

See Course website: <http://canvas.ust.hk>

School Intended Learning Outcomes ("SILOs")

Students after this course 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 learned in class to analyze some historical and current macroeconomic events. (SILO # 4.2)

4. Discuss the consequences of a macroeconomic shock or a policy intervention. (SILO # 4.3)

For the details of SILOs, please refer to the following link:

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

Email Policy

- In the case that you missed office hours, you can contact the course instructor by email. Emails will be answered within 72 hours.
- If you communicate by email, treat it like a business letter rather than a text message! Emails that don't meet the basic standards of professionalism will go unanswered. If you're a little rusty on these standards, you may want to consult this website: <https://writingcenter.unc.edu/tips-and-tools/effective-e-mail-communication/>

Grading Policy

Component	Percentage
Homework	30%
Midterm Review Session	5%
Midterm	30%
Final	35%

Homework

- There will be an estimated 6 homework assignments during the semester.
- Group work is encouraged, however, you should submit own homework on canvas.
- Late submission is NOT accepted.

Class Participation

- Class participation is not mandatory but strongly recommended.
- Attendance for midterm review session is required. You can attend either session held by me and the TA.
- Make sure that you have a working video camera and stable internet connection for each lecture.

Midterm Exam

- There will be NO make-up exam for midterm. If you cannot attend midterm, the weights will be transferred to final.
- Email me in advance if you cannot attend midterm exam for a proper reason.
- There will be a review session before midterm.

Final Exam

- Final exam will be cumulative with an emphasize on the parts after midterm.
- A make-up exam will only be granted on medical grounds.

- You should email me and the TA in advance if you need special arrangement.
- You should provide a valid medical or legal document.
- There will be a review session before final.

Regrading Policy

- Regrading is allowed but should be taken seriously only if you found obvious mistakes in grading and accounting.
- Contact the TA in a week after you receive the graded test if you want regrading.
- Regrading may result in either lower or higher grades subject to the TA and my re-evaluation on your answers to relevant questions.

Tentative Course Outline

1. Introduction and Measurement (Chapter 1 and 2): Week 1-2
2. 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
 - c. Goods and Financial Markets: The IS-LM Model (Chapter 5): Week 5
 - d. Financial Markets II: The Extended IS-LM Model (Chapter 6): Week 6
3. The Medium Run
 - a. The Labor Market (Chapter 7): Week 7
 - b. The Phillips Curve, the Natural Rate of Unemployment, and Inflation (Chapter 8): Week 8
 - c. From the Short to the Medium Run: The IS-LM-PC Model: Week 9
4. The Long Run
 - a. The Facts of Growth (Chapter 10): Week 10
 - b. Saving, Capital Accumulation, and Output (Chapter 11): Week 11
 - c. Technological Progress and Growth (Chapter 12): Week 12
 - d. Technological Progress: The Short, the Medium, and the Long Run (Chapter 13): Week 13