HKUST Business School – Department of Economics

ECON 2123 – Macroeconomics (Fall 2020)
Section: L3, L4
Course Syllabus[i]

Schedule:	L3: TuTh 15:00 – 16:20 T3: Mo 18:00 – 18:50 L4: TuTh 13:30 – 14:50 T4: Tu 11:00 – 11:50
Tutorial:	1st meeting starts on Sep. 14 (basic math review). Subsequent meetings will be announced as we go. Please attend the tutorial section that you registered for.
Course Website:	http://canvas.ust.hk
Instructor:	Fei DING
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Office Hours:	By appointment
Teaching Assistant(s)	Emily CHEN (T3) Teresa LAU (T4)
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Office Hours:	By appointment

A. Course Description

This is a common core course for HKUST business school students. In this introductory course to macroeconomic theory and policy analysis, we will introduce the ways economists look at economy from an "aggregate" perspective. We will start by introducing key macro variables that measure aggregate economic performance. The relationship among these key variables will then be studied under three time frames: the short run, the medium run, and the long run.

In the short run, we will analyze the goods and financial markets, which form the foundation of the **IS-LM** model. Closed economy will be examined first, followed by open economy in the short run. We will then move on to the labor market and put all three markets together to derive the **AS-AD** model in the medium run. Lastly, if time permits, we will further examine key aspects of **economic growth** in the long run. Altogether, the theoretical framework presented in this course will enable you to predict and analyze the impacts of government fiscal and monetary policies on the economy. The basic teaching materials closely follow the textbook and lecture notes.

I will use real world examples and cases as much as possible in order to enhance your understanding of the course materials. We always hear about news and commentaries on economic growth, employment rate, interest rate, inflation, investment, debt and financial crisis, and so on. Upon completion of this course, you would be able to understand some of these events, views, and concerns, and to perform your own analysis in your daily life.

B. Require Textbook

Macroeconomics, Global Edition, written by Olivier Blanchard (and David R. Johnson), published by Pearson Education Inc.

Please note that the 7th edition book is available at the university bookstore, but the 6th edition is more preferred for our class. For students who are unable to find the 6th edition textbook, corresponding chapters and supplementary readings will be posted on the CANVAS website.

C. Learning Outcome – School Intended Learning Outcomes ("SILOs")

1. Identify important macroeconomic variables and understand their relationships; (SILO # 4.1)
2. Gather and organize 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 or policy shock; (SILO # 4.3)
6. Develop an appreciation for macroeconomics and a desire to continue further study. (SILO # 9)

Please visit http://www.bm.ust.hk/sbmlearn/eng/thirdcat.php?sid=5&thirdid=3 for details of SILOs.

D. Course Format and Teaching Approach

This course is delivered through lectures and tutorials.

Students attend two 80-minute lectures per week via ZOOM. Polling questions will be used during lectures to encourage participation, discussion, and exchange of ideas among students and with me. Questions will appear on the screen and you can respond in real time. A summary of answers will be shown and shared. I will discuss your answers with you. Active participation has proven to enhance students' understanding of course materials tremendously. Please try to attend all lectures and participate actively.

Tutorials will start on Monday Sep. 14, and will be arranged as needed on a weekly basis thereafter. Tutorials will review lecture materials, work on selected exercises, and discuss homework problems before and after submission. Tutorial topics will be announced in advance on the Course Website. 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 & Learning Activities	Roles in the Course	SILO Addressed
Lectures	Explain key concepts and their applications; Cases and examples to build students' critical and analytical ability	1,2,3,4,5,6
In-class Q&A through Poll	Encourage class participation, critical	1,2,3,4,5,6

	thinking, and discussion	
Tutorials	Review with further illustration on important topics, problem-solving, encourage discussion and participation	1,2,3,4
Problem Sets	Enhance understanding of course materials and their applications through practice	1,2,3,4,5

E. Course Website

Course materials and announcements will be posted on the CANVAS Website (http://canvas.ust.hk). It is YOUR responsibility to check constantly for the latest information.

F. Examinations and Grades

Overall Grading for the Course

Your overall score for the course will be computed based on the best outcome from the following two weighting schemes.

	Scheme 1	Scheme 2
Zoom participation	7%	7%
4 Problem Sets	8% (= 4 * 2% each)	8%
3 Quizzes	45% (= 3 * 15% per quiz)	45%
Mini project	0%	10%
Final Exam (cumulative)	40%	30%

Zoom online participation

You must attend zoom online lectures via CANVAS and login with your UST account in order to have a record of attendance. You will earn 7% of the course grade if you participate actively in at least 20 online lessons throughout the semester. You will get 4% if you participate in at least 15 of the lessons. You will earn zero if you participate in less than 15 online lectures.

Problem sets

There are FOUR problem sets. You MUST submit your problem sets online via the CANVAS website. NO hard copies, faxes, or emails will be accepted. Any late submission will result in **ZERO** mark, regardless of the reason. Please plan ahead and avoid last-minute submission.

You will be graded based on **effort shown** and **legibility**. Suggested answers with detailed explanations will be posted on the CANVAS website after the deadline. If you have any questions about the problem sets, please seek help from the TA.

Mini project (optional)

Students are encouraged to sign up for a mini-project to receive up to 10% bonus credits, which can be used to reduce the final exam weights (see grading scheme 2). Please refer to separate project handout for a list of suggested topics. There are 3 slots available for CANVAS online sign-up per project per section. Students who sign up for a project will work together as a team and contribute equally. No switching or backing out will be allowed once you sign up.

The outcome of the project will be in the form of an 8-10 min in-class presentation, followed by 2-5 min Q&A. The presentation typically consists of ~70% facts and ~30% of your own views and opinions on the economic issue addressed. There are no right-or-wrong answers: You will be evaluated by efforts shown as well as the logic of your arguments. However, please note that this is an economic class – **any kind of political preaching is strictly prohibited**.

***The instructor has the right to terminate any presentation deemed inappropriate and irrelevant to the topic, while ALL team members will automatically get **zero** score for the project. ***

Free riders will be penalized. I will down-grade your project score to 5% or 0 if repeated complaints are brought to me from your teammates, depending on the severity of the problem.

Presentation dates will be updated on the course website as we go. In order to receive proper credits, each group MUST submit your slides with a title page clearly showing the names & student IDs of all members by 10pm the night prior to the scheduled presentation.

Please note that there are 19 projects listed in the handout, which can accommodate 57 participants per section. Thus, not all students can get a slot. Sign-up will begin on **Thursday Sep. 10 at 9am for L4 and 12pm for L3**. You must sign up under your registered section – I will remove you without notice if you sign up under the wrong section. For those students who do not want to participate, or cannot get a slot, you will be automatically evaluated by grading scheme 1.

Quizzes and the Final Exam

There will be 3 quizzes conducted via the CANVAS online system throughout the course. Quizzes will cover lecture & tutorial materials, problem sets, and any assigned readings. A typical quiz will last 25 minutes, and mostly will be multiple-choice format. Sample practice questions are available on the course website to help you with the preparation. All students must independently take the quiz at the pre-specified time slot, usually during a scheduled lecture. The quiz will not be available at any other times, and there will be NO make-up for whatever reasons. If you miss a quiz, the percentage will be shifted to the final exam.

Collaboration or discussion while taking a quiz is strictly prohibited, as it is considered cheating and will be reported to the school. Although I do not ban books, notes, and cheat sheets, I strongly recommend that you treat quizzes as closed-book exams. Time will be quite constrained, and you will surely run out of time if you have to go back and forth to check your class notes.

The final exam is CUMULATIVE. The date and time will be arranged by ARRO. I will NOT allow early exam. If you intend to travel at the end of the semester, please make your travel plans to avoid any potential schedule clash. Request for a change of final examination date will NOT be accommodated. Please plan your travel accordingly.

The final exam will be closed-book and closed-notes. It will contain multiple-choice, true or false, and quantitative questions which require detailed explanations in words, graphs, and algebraic calculations. I will offer more guidance on the format and preparation of the final exam toward the end of the semester.

Absence

You do NOT need to seek approval for absence from quizzes. However, if for any reason, you are unable to attend the final exam, you MUST seek approval of absence from me BEFORE the exam. Your request should be supported by valid documents, such as a medical certificate issued by a registered medical practitioner. Note that outside activities or more than one exam on the same day are not acceptable excuses for missing an exam. Please plan accordingly. Absence from the final exam without prior approval of absence would result in ZERO score.

For students who are absent from the final exam with prior approval, a make-up final exam will be arranged by the department EO. The make-up exam will be scheduled as soon as possible and should be within one week of the official exam date. It is your responsibility to ensure your availability. The make-up arrangement may take the form of a written-exam, an oral exam, or a research paper, etc.

Please note that the instructor has the final discretion on all arrangements regarding the make-up final exam. Students who request the make-up final exam should comply with all the requirements as communicated by the instructor and department EO. Failing to meet any requirement may result in a ZERO score.

Grading disputes

Please check your grades as soon as they are released. Any disagreement should be reported to the TA **within one week** from the grade release date. Late complaints will NOT be accommodated.

In case of a successful appeal, not just the discrepancy part but the entire exam will be re-assessed for the whole class. The re-assessment may result in a grade higher or lower than the one previously given.

The TA and I will do our best to help you succeed in the course. Please remember that, ultimately, it is YOU who EARN the grade. If you know what grade you want for graduation, scholarship, exchange opportunities, honors, etc., you need to make the corresponding effort to achieve your goal.

G. Academic Honesty and Integrity

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 Academic Honor Code and all contents on the Academic Integrity website: http://tl.ust.hk/integrity.

The Code will be STRICTLY enforced. I will report any cases to the University WITHOUT EXCEPTIONS. Cheating will result in an automatic "F" for the course.

H. How to Get Help

The TA and I hold regular office hours to answer questions and help you with your study. You are also welcome to make appointments with any of us. If you encounter any problems or feel under pressure, I urge you in the strongest possible terms, to get help immediately. We would be happy to talk with you and help you find appropriate solutions.

Emails are quick and easy ways to communicate with us. Most messages will be answered within hours. Please address to BOTH TA and me in all your emails for quickest response.

Please note the following guidelines for an <u>efficient communication</u> with your TA and the instructor.

1. Before you contact your TA or me, <u>please make sure</u> that you have a) read the textbook and lecture notes, b) discussed with your classmates, and c) put sufficient effort to find the answers by yourself.

2. Try to ask questions <u>during</u> lectures. Do not hesitate to raise your hands.

3. Try to find me <u>before and after</u> lectures. It is best to discuss topics right after I teach them.

4. <u>Please DO NOT write me long emails with many questions</u>. It is more efficient to come and talk to me face to face.

5. It is always better to discuss your questions first with your classmates and friends. Argue with your classmates, debate with them, persuade them, find some flaws in their or your own arguments, and find out the best way to deliver your ideas and thoughts. <u>This will help you not only in this course, but also in your future job-hunting process.</u>

6. If you have questions regarding problem sets and exams, course organization, and materials covered or to be covered, please check CANVAS website and the course syllabus first.

I. Classroom Etiquette

You are expected to be punctual for both lectures and tutorials; I will start and end lectures on time. Please respect others and do not disturb others with side conversations, Internet surfing, emails-checking, or instant-messaging during class time. If you have any questions, please raise your hand, <u>NO CHATTER</u>. Please visit the following site for general guidelines on proper classroom behavior: http://tl.ust.hk/conduct/good_learning_experience.pps.

J. Continuous Teaching Evaluation

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 about my teaching. This evaluation can include 1) things that you like; 2) things that you dislike; and 3) suggestions for improvement. I will take all comments seriously and confidentially.

K. Tentative Schedule

Part 1: Introduction to macroeconomics   Ch1-2

Part 2: The short run closed economy (IS-LM model)   Ch3

                                        Problem set 1

Quiz 1 in early Oct.

Ch4-5 (6th Ed.)

Problem set 2

Quiz 2 end of Oct.

Part 3: The short run open economy (IS-LM-UIP model)   Ch18-20 (6th Ed.)

Problem set 3

Quiz 3 in mid-Nov.

Part 4: The medium run (AS-AD model)   Ch6-7 (6th Ed.)

Problem set 4

Part 5 (optional): The long run (Growth model)

Final Exam

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[i] The instructor reserves the right to final interpretation of the course syllabus and the right to amend the syllabus, if necessary.