

HKUST Business School – Department of Economics

ECON 2123 – Macroeconomics (Spring 2024) Section: L1, 3, 4, 8 Course Syllabusⁱ

Lecture:	L3: MoWe 9:00 – 10:20AM (Rm 2406) L4: MoWe 12:00 – 1:20PM (CYT G009B) L8: WeFr 3:00 – 4:20PM (LSK 1034, no lecture Feb. 9) L1: WeFr 4:30 – 5:50PM (LSK 1034, no lecture Feb. 9)
Tutorial:	NO tutorial for the first two weeks , 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)	Astor FOK (T3, T8) and Teresa LAU (T1, 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 timeframes: 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. A closed economy will be examined first, followed by an 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 as much as possible to enhance your understanding of the course materials. We always hear news and commentaries regarding economic growth, unemployment, inflation, interest rate, national debt, and financial crisis, etc. Upon completion of this course, you should be able to understand some of these 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 newest edition book is available at the university bookstore, but the 6th edition (or older) 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 #3)
2. Gather and organize relevant macroeconomic information for a given context; (SILO #1)
3. Apply tools learnt in class to analyze some historical and current macroeconomic events; (SILO #3)
4. Understand the operation of open economy and exchange rate related topics. (SILO #4)

Hopefully, you can also

5. Discuss the consequences of a macroeconomic or policy shock; (SILO #3)
6. Develop an appreciation for macroeconomics and a desire to continue further study. (SILO #4)

Please visit <http://www.bm.ust.hk/sbmlern/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. Personal Response System (iPRS) will be used during lectures to encourage class participation and exchange of ideas (further information regarding PRS can be found in Section F). Please try to attend all lectures and participate actively during class discussions.

Tutorial classes will be arranged as needed on a weekly basis starting mid-September. We will review the lecture materials, work on selected exercises, and discuss homework problems before and after submission. Exact topics will be announced in advance on CANVAS 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
In-class Q&A through IPRS	Encourage class participation, critical thinking, and discussion	1,2,3,4
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

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. Use of Personal Response System (PRS)

PRS will be used in lectures starting from Lecture 2. Please download the iPRS mobile app by visiting <https://itsc.ust.hk/services/academic-teaching-support/teaching-tools/prs/iprs>. The use of PRS is to encourage classroom participation, discussion, and exchange of ideas among students and with me. Questions will be asked during lectures and the PRS allows you to 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. Bonus points may be rewarded to students with excellent participation records at the end of the term.

G. Examinations and Grades

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

	Scheme 1	Scheme 2
4 Problem Sets @ 2% each	8%	8%
Mini project	10%	10%
Quizzes (best 5 @ 2% each)	10%	10%
Midterm Exam	27%	0%
Final Exam (cumulative)	45%	72%

Problem sets

There will be 4 problem sets to be submitted 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 to avoid last-minute submission.

Problem sets 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

Please refer to separate project handouts (canvas website) for a list of suggested topics. There are 3 slots available per project per section. You must sign up, work together as a team, and contribute equally. Instructions for online sign-up via CANVAS -> People will be provided during our first lecture. You **MUST sign up under your registered section** and **NO switching/changing will be allowed after the add/drop period (Feb. 16).**

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 get **zero score** for the project. ***

Presentation dates will be updated on the course website as we go. To receive credits, each group **MUST** submit your presentation slides with a title page clearly showing the official names & student IDs of all members by 10pm the night prior to the scheduled presentation. Free riders will be penalized. I will downgrade your project score to 5% or 0 if complaints are brought to me from your teammates, depending on the severity of the problem.

Quizzes (online via canvas)

Quizzes are used to gauge how well you grasp lecture materials so I can adjust my teaching pace accordingly. A typical quiz will last ~10 minutes with a few multiple-choice and/or short-answer questions. Sample practice questions are available on the course website to help you with the preparation. I will announce the time slot when you can take a quiz at least 1 day in advance. The quiz will not be available at any other time, and **NO make-up** for whatever reasons. The best 5 quiz scores will be counted toward your overall grade.

Collaboration or discussion while taking a quiz is prohibited. Books, notes, and cheat sheets are allowed. However, I strongly urge you to treat quizzes as closed-book tests (i.e., prepare well beforehand) for your own benefit of learning.

Mid-term Exam (onsite and proctored)

The **mid-term exam is scheduled for Tuesday March 26 8~9pm onsite at HKUST**. I will give you more information regarding the exact time, venue, and coverage. There will be **no make-up** for the mid-term exam. If you miss it for whatever reason, the weight will be shifted to your final exam (grading scheme 2).

Final Exam (onsite and proctored)

The final exam is CUMULATIVE. The date and time will be arranged by ARRO. I will NOT allow early exams. 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 contain multiple-choice, short-answer, and quantitative (long) questions that require detailed explanations in words, graphs, and algebraic calculations. I will offer more guidance on the preparation of the final exam toward the end of the semester.

Absence

You do **NOT** need to seek approval for absence from quizzes and mid-term exam, as there will be **no makeups**. 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. The make-up exam will be scheduled as soon as possible and should be within one week of the original exam date. It is your responsibility to ensure your availability. The make-up arrangement may take the form of a written exam, an online or 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, TA, 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** of the grade release date. Late complaints will NOT be accommodated.

In the event of a successful appeal, not just the discrepancy part but also the entire paper will be reassessed for the whole class. The reassessment 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 it is YOU who EARN the grade. If you know what grade you want for graduation, scholarship, exchange opportunities, honors, etc., please make the corresponding effort to achieve your goal.

H. 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 understand the Academic Honor Code and all contents on the Academic Integrity website. 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.

I. How to Get Help

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

Please note the following guidelines for efficient communication with your TA and the instructor.

1. If you have questions regarding course organization such as materials covered & to be covered, quiz dates, assessment schemes, etc., please check CANVAS website and course syllabus first.
2. Before contacting your TA or me, please make sure 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.
3. Try to ask questions before, during, and after lectures and tutorials. It is best to discuss topics right after they are taught. Please do not hesitate to raise your hands.
4. Please DO NOT write long emails with many questions. It is much more efficient to come and talk to me/TA directly.
5. Please discuss your questions with classmates and friends first. Argue and debate with them, persuade them, find flaws in their (or your own) arguments, and figure out the best way to deliver your ideas and thoughts. This practice will help you not only in this course, but also in your future job-hunting process.

J. 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, email checking, or instant messaging during class time. If you have any questions, please raise your hand, NO CHATTER. Please visit the university website for general guidelines on proper classroom behavior.

K. 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.

L. Tentative Schedule

Part 1: Introduction to macroeconomics	Ch1-2
Part 2: The short run closed economy (IS-LM model)	Ch3 Problem set 1 Ch4-5 (6 th edition) Problem set 2
Part 3: The short run open economy (IS-LM-UIP model)	Ch18-20 (6 th edition) Problem set 3
Part 4: The medium run (AS-AD model)	Ch6-7 (6 th edition) Problem set 4
Part 5 (optional): The long run (Growth model)	
	<u>Final Exam</u>

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