Course title: Macroeconomics

Course code: ECON 2123 – L1 & L5

Provided by: Department of Economics

Enrollment requirement: None

No. of credits: 3

Instructor: Zhesheng QIU

Course Description

This is an introductory level course in macroeconomics that covers the following four topics:
(1) short-run economic fluctuations in a closed economy (IS-LM model),
(2) medium-run economic fluctuations in a closed economy (IS-LM-PC model),
(3) short-run economic fluctuations in an open economy (Mundell-Fleming Model),
(4) long-run economic growth in a closed economy (Solow Model).
This course deals with theory, data, and economic policies to develop a balanced perspective on the real-world economic environment in non-technical ways.

Required Textbook

- Blanchard, Olivier (2021), *Macroeconomics*, 8th ed., Pearson.

School Intended Learning Outcomes (SILOs)

Upon successful completion of this course, you should be able to:
(1) Identify important macroeconomic variables and understand their relationships; (SILO#3)
(2) Gather and organize the relevant macroeconomic information for a given context; (SILO#1)
(3) Apply tools learnt in class to analyze 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
(1) Discuss the consequences of a macroeconomic shock or a policy shock; (SILO#2)
(2) Develop an appreciation for macroeconomics and a desire to continue further study.

For the details of SILOs, please refer to
UG - School Intended Learning Outcomes

Course Format

Lectures (L1&L5)	**Instructor**	Zhesheng QIU (zheshqiu@ust.hk)
	Time and venue	**L1**: 09:00-10:20 Tue & Thu at CYTG009A (Lifts 36) **L5**: 10:30-11:50 Tue & Thu at CYTG009A (Lifts 36)
	Office hour	13:30-15:30 Tue at 6080 LSK
Tutorials (L1)	**Teaching assistant**	Astor Fok (ecastor@ust.hk)
	Time and venue	09:30-10:20 Fri (from week 2) at LSK1007
	Office hour	10:30-11:30 Fri at LSK6066
Tutorials (L5)	**Teaching assistant**	Cindy Mok (cindymok@ust.hk)
	Time and venue	18:00-18:50 Wed (from week 2) at LSK1014
	Office hour	14:30-15:30 Tue at LSK6066

Tentative Course Plan

Date	Plan
Feb 04 (Tue)	Ch01 – a tour of the world (world map, the crisis, the Euro area, the US, China)
Feb 06 (Thu)	Ch02 – a tour of the book (*3 measures of GDP, inflation)
Feb 11 (Tue)	Ch03 – the goods market (Keynesian cross)
Feb 13 (Thu)	Ch03 – the goods market (*Paradox of thrift)
Feb 18 (Tue)	Ch04 – the financial market (money market and liquidity trap)
Feb 20 (Thu)	Ch04 – the financial market (*modern central bank)
Feb 25 (Tue)	Ch05 – the IS-LM model (shocks, monetary and fiscal policies)
	Due date of problem set 1 (10 MC + 1 analytical, open book)
Feb 27 (Thu)	Ch07 – the labor market (unemployment rate definition, cyclicality)
Mar 04 (Tue)	Ch07 – the labor market (wage and price determination)
Mar 06 (Thu)	Ch08 – Phillips curve (derivation, expectations, natural rate)
Mar 11 (Tue)	Ch09 – the IS-LM-PC model (medium run, *backward looking expectations)
Mar 13 (Thu)	Ch09 – the IS-LM-PC model (oil shock, fiscal policy, *zero lower bound)
	Due date of problem set 2 (10 MC + 1 analytical, open book)
Mar 18 (Tue)	Midterm exam (10 MC + 1 analytical, closed book) TBA
Mar 20 (Thu)	Dealing with midterm exam problems
Mar 25 (Tue)	Ch17 – openness in goods and financial markets (exchange rate, BoP, UIP)
Mar 27 (Thu)	Ch18 – the goods market in an open economy (Policy coordination)
Apr 01 (Tue)	Mid-term break
Apr 03 (Thu)	Mid-term break
Apr 08 (Tue)	Ch19 – output, the interest rate, and the exchange rate (Mundell-Fleming model)
Apr 10 (Thu)	Ch20 – exchange rate regimes (fixed, flexible, trilemma, currency union)
Apr 15 (Tue)	Ch10 – the facts of growth (PPP, convergence, production function)
Apr 17 (Thu)	Ch11 – saving, capital accumulation, and output (Solow model, saving rate)
Apr 22 (Tue)	Ch11 – saving, capital accumulation, and output (dynamics, gold rule)
Apr 24 (Thu)	Ch12 – technological progress and growth (augmented Solow model)
Apr 29 (Tue)	Ch13 – the Challenges of Growth (low hanging fruit, automation, inequality, climate)
	Due date of problem set 3 (20 MC + 2 analytical, open book)
May 06 (Tue)	Course review
May 08 (Thu)	Course review
	Final exam (20 MC + 2 analytical, closed book) TBA

Assessment Rule and Grading Rubrics

Overall score

- Overall score = 20%*problem set score (5%+5%+10%)
  + max {25%*midterm score + 55%*final score, 80%*final score}

Problem sets

- The problem sets are open book.
- Your answers to the problem sets should be submitted in canvas by the due date. No late submission is accepted.
- You may work on the problem set in any way you like, but it is highly suggested that you first treat it as a practice for exams and then check the answers for review purposes.
- The grading rubric is lenient because the problem sets emphasize more about the learning activities instead of the learning outcomes.

Midterm exams

- The midterm exams are closed book and in class.
- The midterm exam will be graded according to rubrics stated in the question papers.
- The possible score of each midterm exam is between 0 and 100.
- No makeup midterm exam will be provided.
- No justification is needed for absence.

Final exam

- The final exam is closed book and arranged by the university.
- The final exam is accumulative and covers all course materials of the semester.
- The final exam will be graded according to rubrics stated in the question papers.
- The possible score of the final exam is between 0 and 100.
- Absence in the final exam without informing the instructor **BEFORE** the final exam may result in a score of **ZERO**.

Attendance

- No mandatory attendance requirements for regular lectures and tutorials.

Mapping of SILOs to Assessment Tasks

Assessed Task	Mapped SILOs	Explanation
Problem Sets	SILO1, SILO2, SILO3, SILO4	Problem sets & midterm exams are designed as mini versions of the final exam, including a variety of questions to cover all SILOs.
Midterm Exams	SILO1, SILO2, SILO3, SILO4	
Final Exam	SILO1, SILO2, SILO3, SILO4	

Final Grade Descriptors

Grades	Description	Elaboration
A+	Excellent	Deep understanding of lecture materials. Proficient utilization of introduced analytical tools. Effective communication on related topics.
A		
A–		
B+	Good	Solid understanding of lecture materials. Appropriate utilization of introduced analytical tools. Fluent communication on related topics.
B		
B–		
C+	Satisfactory	Adequate understanding of lecture materials. Being able to utilize introduced analytical tools. Being able to communicate on related topics.
C		
C–		
D	Marginal Pass	Partial understanding of lecture materials.
F	Fail	Lack of understanding of lecture materials.

Note that there is no "grade curving".

Academic Integrity

Students are expected to adhere to the university's academic integrity policy. Students are expected to uphold HKUST's Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to Academic Integrity | HKUST – Academic Registry for the University's definition of plagiarism and ways to avoid cheating and plagiarism.

Regrading Policy

If you believe that there is an error in the grading, you can file a formal, typed regrading request to your TA. The request should list the question you want to be regraded and an explanation of why. The request should be emailed to your TA within 7 days after the exam is returned. The TA reserves the right to regrade the entire exam. Scores may increase or decrease as a result.

Communication and Feedback

- **Email policy:** Please add [Econ 2123] in the title line of your email. It may take up to 2 or 3 days to respond in busy times like exam periods. You may resend the email if there happens to be no response after 48 hours. Questions asked right before the due dates of problem sets and exams may not be answered.
- **Office hour:** You are encouraged to utilize the office hour of both the instructor and the TA. Meetings outside of the office hour via appointment are possible if necessary.
- **Course feedback:** Early course feedback is appreciated. It could be sent to the mailbox of the instructor or from under the door of the instructor's office anonymously.