

Course title: Macroeconomics

Course code: ECON 2123 – L4, L5, L6

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.

Reference 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	Instructor	Zhesheng QIU (zheshqiu@ust.hk)
	Time and venue	L4: Mon 12:00-13:20 and Wed 12:00-13:20 at LG3008 L5: Wed 16:30-17:50 and Fri 16:30-17:50 at 6573 L6: Mon 16:30-17:50 and Fri 12:00-13:20 at LSK1011
	Office hour	Mon 14:00-16:00 at LSK6083A
Tutorials	Teaching assistant	Chris Cheung (chrischeung@ust.hk)
	Time and venue	L4: Wed 18:00-18:50 at LSK1011 L5: Mon 18:00-18:50 at LSK1011 L6: Fri 15:00-15:50 at LSK1007
	Office hour	Wed 15:00-16:00 at LSK6066

Tentative Course Plan

	L4	L5	L6	Plan
1	Feb 2	Feb 4	Feb 2	Ch01 introduction
2	Feb 4	Feb 6	Feb 6	Ch02 basic concepts (GDP, inflation)
3	Feb 9	Feb 11	Feb 9	Ch03 the goods market (Keynesian cross)
4	Feb 11	Feb 13	Feb 13	Ch03 the goods market (*Paradox of thrift)
5	Feb 23	Feb 25	Feb 23	Ch04 the financial market (money market and liquidity trap)
6	Feb 25	Feb 27	Feb 27	Ch04 the financial market (*modern central bank)
7	Mar 2	Mar 4	Mar 2	Ch05 the IS-LM model (shocks, monetary and fiscal policies)
8	Mar 4	Mar 6	Mar 6	Ch07 the labor market (unemployment definition, cyclicity)
9	Mar 9	Mar 11	Mar 9	Ch07 the labor market (wage and price determination)
10	Mar 11	Mar 13	Mar 13	Midterm review
	Mar 15	Mar 15	Mar 15	Due date of problem set 1 (10 MC + 1 analytical, open book)
	Mar 18	Mar 18	Mar 18	Midterm exam (10 MC + 1 analytical, closed book)
11	Mar 23	Mar 20	Mar 20	Ch08 the Phillips curve (derivation, expectations, natural rate)
12	Mar 25	Mar 25	Mar 23	Ch09 the IS-LM-PC model (medium run, *expectations)
13	Mar 30	Mar 27	Mar 27	Ch09 the IS-LM-PC model (oil shock, fiscal policy, *ZLB)
14	Apr 1	Apr 1	Mar 30	Ch17 openness in goods and financial markets (Exchange rate, BoP, UIP)
15	Apr 13	Apr 10	Apr 10	Ch18 the goods market in an open economy (Policy coordination)
16	Apr 15	Apr 15	Apr 13	Ch19 output, the interest rate, and the exchange rate (Mundell-Fleming)
17	Apr 20	Apr 17	Apr 17	Ch20 exchange rate regimes (fixed, flexible, trilemma, currency union)
18	Apr 22	Apr 22	Apr 20	Ch10 the facts of growth (PPP, convergence, production function)
19	Apr 27	Apr 24	Apr 24	Ch11 saving, capital accumulation, and output (Solow model, saving rate)
20	Apr 29	Apr 29	Apr 27	Ch11 saving, capital accumulation, and output (dynamics, gold rule)
21	May 4	May 6	May 4	Ch12 technological progress and growth (augmented Solow model)
22	May 6	May 8	May 8	Final review
	May 10	May 10	May 10	Due date of problem set 2 (20 MC + 2 analytical, open book) Final exam (20 MC + 2 analytical, closed book) TBA

Assessment Rule and Grading Rubrics

Overall score

Overall score = 20% PS + max {20% Midterm + 60% Final, 28% Midterm + 52% Final}

Problem sets

- The problem sets are open book.
- Your answers to the problem sets should be submitted on 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 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.
- 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.

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.
A		Proficient utilization of introduced analytical tools.
A-		Effective communication on related topics.
B+	Good	Solid understanding of lecture materials.

B		Appropriate utilization of introduced analytical tools.
B-		Fluent communication on related topics.
C+	Satisfactory	Adequate understanding of lecture materials.
C		Being able to utilize introduced analytical tools.
C-		Being able to communicate on related topics.
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] to 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 hours:** You are encouraged to utilize the office hours of both the instructor and the TA. Meetings outside of the office hours via appointment are possible if necessary.
- **Course feedback:** Early course feedback is appreciated.