

# ECON 4264: Economics of Innovation and Entrepreneurship\*

Spring 2026

## Basic Information

Time and Location		Contact Info	
Time	Mo 04:30PM - 05:50PM Fr 12:00PM - 01:20PM	Instructor	GONG, Kaiji (Robin)
Location	Rm 1033, LSK Bldg (51)	Email	<a href="mailto:rkgong@ust.hk">rkgong@ust.hk</a>
Zoom link (online)	See <a href="#">Canvas</a>	TA	CHEUNG, Chris
		Email	<a href="mailto:chrischeung@ust.hk">chrischeung@ust.hk</a>

1. Office hours are by-appointment; the instructor's office is at 6058, LSK Bldg.
2. There are *no* regular tutorial sections.

## Course Description

This course provides an introduction to the fundamentals of entrepreneurship and innovation, viewed through an economist's lens. Divided into two parts, the first portion covers essential concepts and tools in the Economics of Entrepreneurship and Entrepreneurial Finance. The second part delves into topics related to the Economics of Innovation. The class aims to serve two purposes: firstly, to equip students with the foundational knowledge necessary to plan and launch entrepreneurial ventures as entrepreneurs and innovators. Secondly, to provide students with an understanding of the economic institutions that facilitate entrepreneurship and innovation.

**Prerequisites:** ECON 2103/2113, ECON 2123

**Suggested:** ECON 3334

The course provides the ECON 4670 paper requirement option.

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\*This version: January 31, 2026.

## Assessment Scheme

### 1. Class Participation (15%)

- Attendance: Attendance at lectures is voluntary.
- In-class short presentations (10%): the students will be expected to deliver brief in-class presentations (< 5 minutes). Each student will present once, and will be asked to sign up for a presentation slot at the beginning of the semester.
- In-class Q&A (5%): the instructor may randomly pick up students to answer questions.
- Other: the students are encouraged to ask questions during class.

### 2. Midterm Exam (35%)

- The midterm exam will be open book and open notes.
- The midterm exam will mainly cover questions in entrepreneurial economics and finance, but might also contain other materials from the first half semester.
- In the case of absence from the midterm exam due to medical reasons, you are required to submit a medical certificate issued by a registered medical practitioner. Appropriate documentation will be required for absences due to other reasons.

### 3. Group Presentation (25%)

- Towards the end of the semester, the students will be required to form groups for the final presentations. Each group should comprise 3-4 members.
- Each group will have the opportunity to select from a range of cases or questions pertaining to entrepreneurship and innovation.
- Each group will be allotted 30 minutes to deliver their presentation in the two group presentation sessions at the end of the semester.

### 4. Final Project (25%)

- Each student is required to conduct a final project by the end of the semester.
- The final project should be submitted as a short research report or paper, approximately 3 to 4 pages in length (excluding tables, figures, and references).
- The final project should follow the basic rules of academic writing.

## Intended Learning Outcomes (ILOs)

Please refer to the School Intended Learning Outcomes list ([link](#)) for details of the learning goals. Upon completion of this course, the students will be able to:

1. Gain a thorough understanding of theories and quantitative methods to analyze economic phenomena in entrepreneurship and innovation from both macro- and micro-perspectives and apply them effectively. (Learning Goal #1)
2. Develop an understanding of the policy-making issues associated with entrepreneurship and innovation. (Learning Goals #3,#4)
3. Work collaboratively in a team to analyze and present solutions to real-life cases. (Learning Goal #2)
4. Demonstrate an understanding of the principles of academic writing and economic analysis, and apply them effectively. (Learning Goal #1)

## Grading Rubrics

Grade	Short Description	Elaboration
A	Excellent Performance	Students demonstrate a strong grasp of course materials, effectively utilize tools discussed, perform exceptionally on exams, presentations, and final projects. They exhibit exceptional analytical skills, critical thinking, and effective participation in class discussions.
B	Good Performance	Students exhibit a solid understanding of course materials, proficient use of tools, and competent completion of exams, presentations, and final projects. They show commendable analytical skills, effective critical thinking, and participation in class discussions.
C	Satisfactory Performance	Students demonstrate an adequate understanding of course materials, satisfactory use of tools, and completion of exams, presentations, and final projects. They display acceptable analytical skills and participation in class discussions.
D	Marginal Pass	Students show limited understanding of course materials, inconsistent use of tools, and incomplete performance in exams, presentations, and final projects. Their participation in class discussions is minimal.
F	Fail	Students display a lack of understanding of course materials, inadequate use of tools, and unsuccessful completion of exams, presentations, and final projects. They show little to no participation in class discussions.

## Other Organizational Matters

### 1. Course website

- Website address: <http://canvas.ust.hk>.
- Lecture notes and reading materials will be posted on the course website.

### 2. Recommended books (not required)

- *The Economics of Entrepreneurship*, 2nd Edition, by Simon C. Parker;
- *The Economics of Innovation: An Introduction*, by G. M. P. Swann;
- *Entrepreneurial Finance*, 6th Edition, by J. Chris Leach and Ronald W. Melicher;
- *Venture Capital and the Finance of Innovation*, 2nd Edition, by Andrew Metrick and Ayako Yasuda.

### 3. Email Policy

- Send the instructor emails or scheduling office hours or asking specific course questions.
- The students are expected to use their UST accounts, instead of CANVAS, for email communication.
- The students should put down at the email subject line: **ECON4264**: [e.g., Questions on the Midterm].

### 4. Learning Environment

- Refer to the following website for the guideline for good learning environment:  
[http://www.ust.hk/vpao/conduct/good\\_learning\\_experience.pps](http://www.ust.hk/vpao/conduct/good_learning_experience.pps).

### 5. Academic Honesty and Integrity

- Honesty and Integrity is central value in HKUST. Please be aware of the importance and maintain high standard of honesty in the problem sets, examinations, and writings in this course. Familiarize yourself to the university rules and the HKUST academic honor code by visiting following website:  
<http://www.ust.hk/vpao/integrity>.
- Use of generative AI is allowed for in-class and after-class assignments, but *not* in the midterm exam.

## Course Schedule

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Session	Dates	Topic
<u>Part 1: Introduction to Entrepreneurship</u>		
Module 1	Feb 2, 6	What is Entrepreneurship?
Module 2	Feb 9, 13	The Economic Theories of Entrepreneurship
Module 3	Feb 16, 20	The Determinants of Entrepreneurship
Module 4	Feb 23, 27, Mar 2, 6	Entrepreneurial Finance
Module 5	Mar 9, 13	Special Topics in Entrepreneurship
<u>Part 2: Introduction to Innovation</u>		
Module 6	Mar 16, 20 Mar 23	The Nature of Innovation Midterm Review
	<b>Mar 27</b>	<b>Midterm Exam*</b>
Module 7	Mar 30	Intellectual Property
Module 8	Apr 10, 13	Innovation and the Market
Module 9	Apr 17, 20	Firm Innovation
Module 10	Apr 24, 27	Innovation Policies
	<b>May 4, 8</b>	<b>Group Presentation*</b>

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*Note 1:* The final project will be due at 11:59 PM, 23 May.

*Note 2:* The course schedule will be updated as the semester unfolds. Updated versions will be posted on Canvas.