Hong Kong University of Science and Technology
ECON 2123 - Macroeconomics (3 units)
Summer 2026

Instructor: Eric Ng Email: ecyng@ust.hk Office: LSK 6016D Office hours: by appointment **Teaching Assistant**: Jeremy To Email: ecjeremy@ust.hk Office LSK 6066 Office hours: by appointment **Course website:** https://canvas.ust.hk	**Dates 13-JUL-2026 - 07-AUG-2026** **Lectures** Schedule: Mon, Wed, Fri: 9:30AM - 12:50PM Room: Rm 1010, LSK Bldg **Tutorials** Schedule: Tue: 10:00AM - 11:50AM Room: Rm 1010, LSK Bldg

Course Description:

This is an introductory course on macroeconomics. It addresses how to measure key macroeconomic variables and how to use macroeconomic models (including IS-LM and IS-LM-PC models) to analyze the aggregate economy in the short and medium run. If time permits, we will also cover the topic of long-run economic growth. We start with a closed-economy modeling framework and then extend it to an open-economy setting. We will use models to analyze the effects of monetary and fiscal policies on the economy.

Learning Resources

Textbook: **Macroeconomics**, Global Edition (8^{th} edition, 2021), by Olivier Blanchard, **Pearson**.

Lecture slides are available on the CANVAS course website. Please note that the lecture slides are not substitutes for the textbook. To be well prepared for the exams, you should first review the lecture slides and then dig into the details of the chapters in the textbook.

Course Learning Outcomes (CILOs) and Their Mapping to School Learning Outcomes (SILOs)

Upon successful completion of this course, you should be able to:

- CILO1: Identify important macroeconomic variables and understand their relationships. (SILO 3)
- CILO2: Gather and organize the relevant macroeconomic information for a given context. (SILO 3)
- CILO3: Apply tools learned in class to analyze some current macroeconomic events. (SILOs 1 and 4)
- CILO4: Discuss the consequences of a macroeconomic shock or policy intervention. (SILOs 2 and 4)
- CILO5: Develop an appreciation for macroeconomics and a desire to further study. (SILOs 2 and 3)

• For the details of SILOs, please refer to the following link:
https://bmundergrad.hkust.edu.hk/academics/academic-programs/learning-outcomes

Teaching Approach

Teaching & Learning Activities	Roles in the Course	CILOs Addressed
Lectures	Explain concepts and their applications; build student's critical and analytical ability	1, 2, 3, 4, 5
In-class discussions	Encourage participation and critical thinking	1, 2, 3, 4, 5
Tutorials	Review concepts and answers to practice questions	1, 2, 3, 4

Course Assessment

This course will be graded based on your performance on the midterm and final exams. Both midterm and final are in-class closed-book exams. Your overall score is the highest score among the three weighting schemes as follows:

	Date and Venue	Scheme 1	Scheme 2	Scheme 3
Midterm	July 27, 9:30am-11:00am, 5403 (lift 17/18)	35%	20%	0%
Final	Aug 7, 9:30am-12:30pm, 5403 (lift 17/18)	65%	80%	100%

- There is no make-up midterm. If you miss the midterm, your overall score will be based on Scheme 3. An absence for the final exam without any valid reasons (e.g., sickness or family emergencies) and documentary proof will result in zero score.
- Practice questions for the midterm and final exams are available on the CANVAS course website.

Course Outline

1. Introduction and Macroeconomic Measurements (Week1) (Chapters 1 and 2)

2. Closed Economy: The Short Run Analysis (Weeks 1, 2)
   - The Goods Market (Chapter 3)
   - Financial Markets (Chapter 4)
   - Goods and Financial Markets: The IS-LM Model (Chapter 5)
   - Financial Markets II: The Extended IS-LM Model (Chapter 6)

3. Closed Economy: The Medium Run Analysis (Weeks 2, 3)
   - The Labor Market (Chapter 7)
   - The Phillips Curve, the Natural Rate of Unemployment, and Inflation (Chapter 8)
   - From the Short to the Medium Run: The IS-LM-PC Model (Chapter 9)

4. Open Economy (Week 3, 4)
   - Openness in Goods and Financial Markets (Chapter 17)
   - The Goods Market in an Open Economy (Chapter 18)
   - Output, the Interest Rate, and the Exchange Rate (Chapter 19)

5. The Long Run Analysis (if time permits)
   - The Facts of Growth (Chapter 10)
   - Saving, Capital Accumulation, and Output (Chapter 11)
   - Technological Progress and Growth (Chapter 12)

Final Grade Rubrics

Grade	Short Description	Elaboration
A	Excellent Performance	Demonstrate a deep understanding of the concepts, methods, and models covered in the course. Exhibit exceptional skills in utilizing them to analyse macroeconomic issues. Excel in the assignments and exams.
B	Good Performance	Show a solid grasp of the concepts, methods, and models covered in the course. Demonstrate good skills in utilizing them to analyse macroeconomic issues. Perform well in the assignments and exams.
C	Fair Performance	Demonstrate a basic understanding of the concepts, methods, and models covered in the course. Show limited skills in utilizing them to analyse macroeconomic issues. Perform fairly in the assignments and exams.
D/F	Marginal Pass/Fail	Students display a lack of understanding of the course materials, inadequate application of concepts and models, and unsuccessful completion of assignments and exams.

Course AI Policy

The use of Generative AI is encouraged for self-learning only. It is not permitted during the exams.

Academic Integrity

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.