

Hong Kong University of Science and Technology
Economics Department 4-credit course
Managerial Macroeconomics, ECON 3024, Fall 2025
(course website is accessible through <http://canvas.ust.hk>)

Instructor: Yang Lu (yanglu@ust.hk)
Office Hours: by appointment, LSK 6059
Lecture Time: Mon 1:30-2:50pm, Fri 9:00-10:20am
Lecture Location: LSK1007

Teaching Assistant: Astor Fok (ecastor@ust.hk)
Office Hours: by appointment, LSK 6066A
Tutorial Time: Mon 9:30-10:20am
Tutorial Location: LSK 1007

Teaching mode: **Face to face.**

Course Description :

This course modifies and extends the standard models studied in introductory macroeconomics course (2123), highlighting the role of expectations in determining the aggregate output, the inflation, and the asset prices.

The course consists of two parts: (A) lectures on the models and their applications on the economics issues such as monetary and fiscal policies, financial crises, and exchange rate policies; and (B) group research projects undertaken by the students to apply macro models, statistical and econometrics tools to analyze a real-world question, in order to gain better understanding of the models and to practice the skills on problem solving, team-work and presentation.

Pre-requisites: Econ 2123 and ECON 3334.

Main Textbook:

Blanchard, Macroeconomics, 8th edition (2021), Global edition, Pearson.

Remark: This edition has revised content on the Phillips curve relative to its 7th edition.

Information on Group Project:

<https://www.notion.so/Resource-Repository-46c016fc53134d919c1679fd38672376>

Suggested Materials for Curious and Open Minds:

- Economist: <http://www.economist.com>
- Freakonomics Radio (Podcast)
- TED Interview (Podcast)

Tentative Topics:

1. The modern conduct of monetary policy
2. Financial crisis and the limitations of policies
3. Financial markets and asset prices
4. Phillips curve and the role of expected inflation
5. IS-LM-PC model
6. Exchange rate regimes
7. Technology progress and unemployment

Depending on our progress, we may or may not cover all these topics.

Course Intended Learning Outcomes (Course ILOs)

At the end of the semester, you should be able to

- 1) analyze qualitatively and quantitatively macroeconomic problems (PILO #1)
- 2) gather and organize the relevant macroeconomic information for practical situations (PILO # 1, 3)
- 3) evaluate effects of macro shocks and policy changes on firms and industries (PILO #3, 4)
- 4) communicate effectively in oral and written English (PILO #2)
- 5) engage in debates and discussions in a constructive way (PILO #2)
- 6) work collaboratively with team members on research projects (PILO #2)

(Program Intended Learning Objectives PILO can be found at

<https://econ.hkust.edu.hk/programs-n-courses/econ/econ-curriculum>)

Implementation of Course ILOs:

Teaching & learning activities	Roles in the course	Course ILOs addressed
Lectures	Learn key concepts, models, and their applications	1,2,3
Tutorials	Review materials of ECON 2123; discuss practice questions; provide support for group projects	1,2,3
In-class activities	Reinforce understanding and economic intuition	1,2,3
Group research projects	Work as a group to identify the research topic, determine the research methodology, carry out the research plan, and communicate the research outcomes in both oral and written English.	4,5,6

Grading Policy:

Assessment Activities		Weighting		Course ILOs assessed
Midterm exam		50% or 25%		1,2,3
Group research project	Research plan & reading list	10%	50% or 75%	4,5,6
	Proposal Presentation	10%		
	Draft term paper	20%		
	Paper Presentation	15%		
	Response/Revision Presentation	10%		
	The term paper	20%		
	Peer evaluation by group-mates	15%		

Remark 1: Members of the same group will receive the same scores for items under the group research project **except for the peer evaluation score**. The peer evaluation score of individual student will be determined by his/her group-mates.

Remark 2: There will be extra merit/punishment points for groups providing or not providing feedbacks to other groups.

Remark 3: This course is part of the university effort to transit traditional pedagogy to a more active pedagogy using experiential learning. At the end of the semester, we will invite each of you to write a 2-page statement reflecting on knowledge and insights acquired, what worked well and what worked poorly, skills developed, and whether and how the experience changed their view of economics as a discipline. Writing the statement will not be a required activity but we will pick the best 5 statements and give **one merit point** to each of the 5 authors of these statements.

Important Due Dates	Activities
Sep 12, 2025	Group and Topic info due
Sep 25, 2025	Research plan & reading list due
Oct 10, 2025	In-class Midterm
Oct 17 & 20, 2025	Proposal presentations
Nov 5, 2025	Draft term paper due
Nov 7 & 10, 2025	Paper presentations
Nov 21 & 24, 2025	Revision presentations
Dec 5, 2025	Term paper due

Dates will be finalized after add-drop period.

Rubrics for Final Grade:

- **Excellent Performance (A range):** Demonstrates a deep understanding of the economic models covered in the course. Exhibits exceptional skills in applying the taught models to analyze macroeconomic data. Excels in the group project and exam with effective class participation.
- **Good Performance (B range):** Shows a solid grasp of the economic models covered in the course. Demonstrates good skills in applying them to analyze macroeconomic data. Performs well in the group project and exam with class participation.
- **Marginal Performance (B-, C+, C):** Has basic knowledge of the economic models covered in the course. Shows limited skills in applying them. Acceptable performance in the group project and exam with limited class participation.
- **Fail:** Demonstrates insufficient understanding of the economic models covered in the course. Lacks skills in utilizing them. Unsuccessful in the group project and exam. Little to no class participation.

Detailed Course Policies:

Tutorial: There will be **weekly** tutorial.

It serves four purposes: 1) briefly review materials from ECON2123 on which the current course is based; 2) study practice questions to gain better understanding about the course materials and to acquire data processing skills; 3) provide support for group projects; 4) host student presentations if there is not enough time in lecture.

Midterm exam: Your midterm-exam score will be 50% of your overall course score if it turns out to be higher than the score of your group project (including the peer evaluation score). If your midterm-exam score turns out to be lower than the score of your group project (including the peer evaluation score), it will only count for 25% of your overall course score, leaving your group project for 75% of your course score.

This means that a good midterm-exam score will raise your grade.

There will be **NO make-up exam** for the midterm exam. If for any reason you are unable to attend the exam, you must support your absence by a valid document, such as medical certificate issued by a registered medical practitioner. Your group project (including the peer evaluation score), will then count for 100% of your course score. **Absence from the midterm exam without any supporting document will result in a penalty:** the score of your group project (including the peer evaluation score) will enter the overall course score with 25% discount, i.e., overall course score = group project score * 0.75.

In case of grading dispute of the exam, with the exception of arithmetic errors, the instructor will handle them. In order to avoid problems associated with self-selection, disputes on individual questions will result in re-grading of the entire exam by the instructor. The re-graded score will be final and it may be higher or lower than the original one. Requests for re-grading must be submitted in writing to the instructor within one week since the score is first published.

Group Research Project:

Research group: During the add-drop period, you need to organize yourselves into research groups of 4-5 members. Each research group must decide on a group name (having a good name is important!) and **a research question related to Inflation/Monetary Policy** to work on throughout the semester. You should submit your group information **on canvas by 11:59pm of the due date**. Group information includes: group name (a memorable one please), the names and student IDs of all group members, and **a list of potential research questions**.

Research plan & reading list: Every group should sign up for at least one meeting with Prof. Lu to discuss their question list and settle one question to research on. After deciding on the question, each group needs to work out a 2-page research plan including: why is such a question worth investigating, how do you plan to answer it, what do you know already, and what will you be reading to find out more. A list of reading (not counted in the 2-page limit) with full citation including the data source (if applicable) needs to be attached to the research plan. The research plan with the reading list is due **on canvas at 11:59pm of the due date**. Every group is expected to read all the research plans of other groups.

Presentation of research proposal: Each group will take turns to present the research plan **during the lecture time** on the specified dates. Your exact slot will be decided later. Each group is expected to actively participate in the presentations of other groups and critically comment on the research plans of other groups.

Draft term paper: Each group should submit the draft term paper **on canvas by 11:59pm of the due date**. The draft term paper should include a mind-map, an abstract, an introduction, the main part, a conclusion and references.

Presentation of research paper: Each group will take turns to present their draft term paper **during the lecture time** on the specified dates. Your exact slot will be decided later.

Presentation of revision and response to comments: Each group will take turns to present their responses to the comments and their revision made in the paper, **during the lecture time** on the specified dates.

Final version of term paper: Each group should improve their term paper based on the feedbacks. The final version of term paper needs to be submitted on canvas **by 11:59pm of the due date, with a cover letter listing all the major revision made relative to the draft term paper**. The maximum length of the main text is 3000 words (excluding cover letter, mind map, appendices, references and footnotes). The paper may include tables, diagrams as appendices. References must be listed at the end of the paper, and footnotes must be inserted at appropriate places.

Important Remark on the final version of term paper: to protect your intellectual property right and to facilitate knowledge accumulation, your term paper will be kept in a paper pool for up to 5 years. Future cohorts of students will have access to the paper pool and your paper will be properly cited if it contributes to their work. If you have any concern on having your paper in the paper pool, please come to see Prof. Lu **before the add/drop deadline**. After the deadline, it is assumed that you have agreed on this policy.

Peer evaluation: We will use Group Member Evaluation (GME) by Feedbackfruits for you to receive feedback from your groupmate throughout the semester. By the end of the semester you will be requested to evaluate your group-mates through GME according to the following scoring rubric. Any student who does not evaluate each of his/her group-mates will receive **zero** mark for peer evaluation. In other words, to receiver your own peer evaluation marks, you must evaluate **each** of your group-mates.

Peer Evaluation Scoring Rubric (Maximum marks: 5)

Category	1 mark	3 marks	5 marks
Contributions	Rarely provides useful ideas when participating in the group. May refuse to participate.	Sometimes provides useful ideas when participating in the group. A satisfactory group member who does what is required.	Routinely provides useful ideas when participating in the group. A definite leader who contributes a lot of effort.
Quality of Work	Provides work that usually needs to be redone or checked by others to ensure quality.	Provides work that is usually of good quality, but occasionally needs to be redone or checked by others to ensure quality.	Provides work of the highest quality.
Working with others	Rarely listens to, shares with, and supports the efforts of others. Often difficult to communicate with, or not a good team player.	Often listens to, shares with, and supports the efforts of others. But sometimes is not a good team player, or communication is erratic.	Almost always listens to, shares with, and supports the efforts of others. Tries to keep people working together.