Hong Kong University of Science and Technology

Managerial Macroeconomics, ECON 3024, Fall 2026

(course website is accessible through http://canvas.ust.hk)

Instructor: Yang Lu (yanglu@ust.hk)
Office Hours: by appointment, LSK 6059
Lecture Time and Location: Mon/Wed 10:30-11:50am, LG 3008 (Lift 10-12)

Teaching Assistant: Astor Fok
Office Hours: TBA
Tutorial Time and Location: Fri 12-12:50pm, LSK 1011

Course Description:
This course modifies and extends the standard models studied in introductory macroeconomics course (2123), highlighting their limitations and applicability. In the process, we emphasize the role of expectations and the inter-temporal decisions faced by governments, consumers and firms. Building on this foundation, we analyze a host of macroeconomic and financial issues, including monetary and fiscal policies, financial crises, and exchange rate policies, in order to help the students better understand the connection between macro theories and real economic issues.

Pre-requisites: Econ 2123 and ECON 3334.

Main Textbook:
Blanchard, Macroeconomics, 9th edition (2025), Global edition, Pearson.

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

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

Suggested Materials for Curious and Open Minds:
- Economist: http://www.economist.com
- Freakonomics Radio (Podcast)

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 in local and global contexts (PILO #3, 4)
4) engage in debates and discussions in a constructive way (PILO #2)

(Program Intended Learning Objectives PILO can be found at https://econ.hkust.edu.hk/programs-n-courses/econ/econ-curriculum)

Teaching Approach:
This course is primarily delivered through lectures and tutorials.

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 problem sets and additional practice questions.	1,2,3
Problem sets and in-class exercises	Practice problem-solving	1,2,3,4

Grading Policy:

Assessment Activities	Weighting	Course ILOs assessed
Problem sets	10%	1,2,3
Class participation	15%	1,2,3,4
Midterm exam (**in class Oct 21**)	25%	1,3
Final exam (**cumulative**)	50%	1,3

Rubrics for Final Grade:

- A (Excellent Performance). Demonstrate a deep understanding of macroeconomic variables, their measurement, their systematic relationships over business cycles, and stabilization policies' workings. Exhibit superb skills to identify the key drivers of macroeconomic dynamics and propose necessary policies by governments and central banks to address potential difficulties over business cycles. Effectively communicates complex logic and chain of events using equations, graphs, and intuitions.
- B (Good Performance). Shows a solid grasp of macroeconomic variables, their measurement, their systematic relationships over business cycles, and stabilization policies' workings. Demonstrate good skills to identify the key drivers of macroeconomic dynamics and propose necessary policies by governments and central banks to address potential difficulties over business cycles. Explains major parts of macroeconomic phenomena using equations, graphs, and intuitions.

- C (Satisfactory Performance). Possesses an adequate understanding of macroeconomic variables, their measurement, their systematic relationships over business cycles, and stabilization policies' workings. Display satisfactory skills to identify the key drivers of macroeconomic dynamics and propose necessary policies by governments and central banks to address potential difficulties over business cycles. Communicates parts of macroeconomic phenomena using equations, graphs, and intuitions but may lack depth in analyses.
- D (Marginal Pass). Understand the basics of macroeconomic variables, their measurement, systematic relationships over business cycles, and stabilization policies' workings. Shows limited skills to identify the key drivers of macroeconomic dynamics and propose necessary policies by governments and central banks to any potential difficulties over business cycles. Communicates limited parts of macroeconomic phenomena using equations, graphs, and intuitions but may lack depth in analyses and may do it incorrectly.
- F (Fail). Demonstrate insufficient understanding of macroeconomic variables, their measurement, their systematic relationships over business cycles, and stabilization policies' workings. Lacks skills to identify the key drivers of macroeconomic dynamics and propose necessary policies by governments and central banks to address any potential difficulties over business cycles. Struggles to explain macroeconomic phenomena using equations, graphs, and intuitions.

Course Policy:

Tutorial: There will be **weekly** tutorial.
It serves three 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; 3) discuss problem set questions.

Class participation:
- Will be assessed via Mentimeter interactive exercises. Please create an account on https://www.mentimeter.com/ in advance using your UST ITSC information.
- Participating in **80% or more** of all Mentimeter exercises after add/drop period receives **full marks**.
- Participating in **x% (< 80%)** of exercises receives **x / 80** of the full marks.
- Mentimeter exercises will be assigned as needed throughout the semester. Some lectures may include multiple exercises, while others may include none, depending on the teaching objectives.
- You can use cellphone to answer these questions. But using laptop or tablet gives better experience.

Problem sets:
- We will have two problem sets, and both will be counted toward the letter grade.

- Working in groups is welcome and recommended. However, each student should submit individually written reports.
- Late submissions will not be accepted.
- For each problem set, your TA will randomly select a fraction of the questions to grade but she will also check whether you have done the rest. The questions selected will be the same for all students.

Midterm exam (**in class Oct 21):** There will be NO make-up exam for midterm.

- If you are going to miss the midterm for medical reasons (you will need to provide a valid medical or legal document), please email me **before** the exam. Your final exam will then count for 75% of your grade. If you fail to do so, you will receive 0 for the midterm exam.

Final exam: A make-up exam will only be given in the case of illness for the final exam.

- You must notify me by email **before** the exam for approval.
- You must provide a valid medical or legal document.
- The make-up exam will take the form of an essay or a report on an assigned topic.

Review sessions: We will hold a review session before each exam (Oct 14, Nov 30).

Grading Disputes: 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 problem set or 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.

Ground Rules:

Mobile phones and any other disturbing electronic devices must be switched to the silent mode. Students are expected to attend all the classes **on time**. The two exams are based on **the materials covered in class**. If you have to miss some classes due to medical reasons, you are responsible to make it up by self-studying the posted lecture notes and consulting your classmates.

Academic honesty and integrity can never be emphasized enough, and any violation will be seriously punished. Please get familiar with the rules by checking the following website: http://www.ust.hk/vpaao/integrity/.

Final Notes:

Student feedback is essential for course improvement. At any time during the semester you are encouraged to give me and/or the TA feedbacks on the lectures and/or the tutorials orally or anonymously (e.g., via campus mail, or slip a note under my office door). End-of-course survey is another excellent way for you to provide detailed feedbacks of the course. Every voice should be heard!