

Hong Kong University of Science and Technology
Managerial Macroeconomics, ECON 3024, Spring 2022
(course website is accessible through <http://canvas.ust.hk>)

Instructor: Yang Lu (yanglu@ust.hk)
Office Hours: by appointment, LSK 6059
Lecture Time: Mon 3:00-4:20pm, Fri 10:30am-11:50am
Lecture Location: CYT G009A
Zoom Meeting ID: available on canvas

Teaching Assistant: Astor Fok (ecastor@ust.hk)
Office Hours: by appointment, LSK 6066A
Tutorial Time: Fri 12:30-1:20pm
Lecture Location: LSK 1003
Zoom Meeting ID: available on canvas

Teaching mode: Real-time online during Add/Drop period, and Face to face teaching after Add/Drop period. For students who have been approved to study remotely, you can attend lectures in **mixed-mode lite**.

For students who are attending the lectures via Zoom, you are expected to attend all the classes on time. In each online lecture, make sure that you have your screenname changed to “nickname (itsc username)” to facilitate class participation (10% of course grade). You are also expected to keep your video camera on with your face shown during the entire session. .

Disclaimer: Due to rapidly changing Covid-19 situation, we reserve the right to change the requirements of the course to cope with different teaching mode.

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 of their pick, 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.

Suggested Materials for Curious and Open Minds:

- Economist: <http://www.economist.com>
- Freakonomics Radio (Podcast)
- TED Radio Hour (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, 3)
- 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 #4)
- 4) communicate effectively in oral and written English (PILO #2)
- 5) engage in debates and discussions in a constructive way (PILO #5, 6)
- 6) work collaboratively with team members on research projects (PILO #5)

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
Class participation		10%	1,3
Midterm exam		45% or 0%	1,2,3
Group research project	Research plan & reading list	10%	45% or 90%
	Proposal Presentation	14%	
	Draft term paper	20%	
	Presentation & Recorded Responses to comments	20%	
	The term paper	20%	
	Peer evaluation by group-mates	16%	
			4,5,6

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
Feb 24, 2022	Group and Topic info due
Mar 14, 2022	Research plan & reading list due
Mar 18 (&21), 2022	Proposal presentations
Apr 8, 2022	In-class Midterm
Apr 18, 2022	Draft term paper and Presentation video due
Apr 22 (&25), 2022	Paper presentations
Apr 25 (&27), 2022	Comments on other groups due
Apr 27 (&29), 2022	Response video due
May 6, 2022	Term paper due

Dates will be finalized after add-drop period.

Detailed Course Policies:

Class participation:

- Your participation score will depend on your **active participation** in the class meetings. This will be evaluated via your attendance in the class meetings, and participation in the in-class activities.
- Students who actively ask questions, answer questions and make comments will also receive extra credit.

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.

Research group: In the first few weeks, you need to organize yourselves into research groups of 5-6 members. Each research group must decide on a group name (good name is important!) and a research topic related to Macroeconomics to work on throughout the semester. Every group **MUST** sign up for at least one meeting with Prof. Lu to discuss the possible topics. The final chosen topic must be approved by Prof. Lu. 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, the research topic, and brief description of the research topic.

Research plan & reading list: After deciding on the topic, each group needs to work out a 2-page research plan including: the specific questions to be answered, why they are interesting, how do you plan to answer these questions, what do you know already and what will you be reading to find out more. A list of reading 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 student registered in this course should 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 18th or 21st of March, 2022**. 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 and presentation video: Each group should submit the draft term paper **on canvas by 11:59pm of the due date**.

In class presentation of research paper: Each group will take turns to present their draft term paper **during the lecture time 22nd or 25th of April, 2022**. Your exact slot will be decided later.

Comments on the other groups: Each group will give comments to three other groups. The comments are both on the draft term paper and on the presentation. The comments should be submitted **on canvas by 11:59pm of the due date**.

Response video: Each group will respond to the submitted comments from other groups via a recorded group presentation video. The response video takes the form of “voice on PPT” and should be no longer than 10 mins. The video should be submitted as a Youtube link **on canvas by 11:59pm of the due date**.

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**. The maximum length of the main text is 3000 words (excluding 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 17 Feb 2022**. After the deadline, it is assumed that you have agreed on this policy.

Peer evaluation: At the end of the semester you will be requested to evaluate your group-mates through an online evaluation form 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 receive your own peer evaluation marks, you must evaluate **each** of your group-mates.

Midterm exam: Your midterm-exam score will be 45% 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), your group project will count for 90% of your course score. **This means that a good midterm-exam score will raise your grade but a low midterm-exam score will NOT lower 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 90% 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 20% discount, i.e., $(\text{group project score} * 0.8) * 0.9$ + class participation.

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.

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.