

Hong Kong University of Science and Technology  
**Managerial Macroeconomics, ECON 3024**, Fall 2021  
(course website is accessible through <http://canvas.ust.hk>)

Instructor: Yang Lu ([yanglu@ust.hk](mailto:yanglu@ust.hk))  
Office Hours: by appointment, LSK 6059  
Lecture Time: Mon 4:30-5:50pm, Fri 12-1:20pm  
Lecture Location: LSK G012  
Zoom Meeting ID: available on canvas

Teaching Assistant: Astor Fok ([ecastor@ust.hk](mailto:ecastor@ust.hk))  
Office Hours: by appointment, LSK 6066A  
Tutorial Time: Fri 2-2:50pm  
Lecture Location: LSK 1011  
Zoom Meeting ID: available on canvas

Teaching mode: Face to face teaching. For students who have been approved to study remotely, you can attend lectures in **mixed-mode lite**.

**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, 8<sup>th</sup> edition (2021), Global edition, Pearson.

*Remark: This edition has revised content on the Phillips curve relative to its 7<sup>th</sup> edition.*

**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.

**Suggested Materials for Curious and Open Minds:**

- Economist: <http://www.economist.com>
- Freakonomics Radio (Podcast)
- TED Radio Hour (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, 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
Final exam		45% or 0%		1,2,3
Group research project	Research plan & reading list	10%	45% or 90%	4,5,6
	Proposal Presentation	20%		
	Draft term paper	20%		
	Recorded Presentation & Responses to comments	20%		
	The term paper	20%		
	Peer evaluation by group-mates	10%		

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.

<b>Important Due Dates</b>	<b>Activities</b>
Sep 21, 2021	Group and Topic info due
Oct 4, 2021	Research plan & reading list due
Oct 8 & 11, 2021	Proposal presentations
Nov 11, 2021	Draft term paper and Presentation video due
Nov 15, 2021	Comments on other groups due
Nov 19 & 22, 2021	In-class responses to comments
Nov 30, 2021	Term paper due

**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 8th or 11th of October, 2021**. 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 and a Youtube link to your group presentation video **on canvas by 11:59pm of the due date**. The group presentation video takes the form of “voice on PPT” and should be no longer than 20 mins. Every group is expected to read **all** the draft term papers of other groups.

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

**In class responses to comments**: Each group will take turns to respond to the submitted comments from other groups **during the lecture time on 19th or 22nd of November, 2021**. Your exact slot will be decided later. After the presentation of the prepared responses, any unresolved issues will be addressed through Q&A exchanges between the presenting group and the audience.

**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 14 September 2021**. After the deadline 14 September 2021, 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 receiver your own peer evaluation marks, you must evaluate **each** of your group-mates.

**Final exam:** Your final-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 final-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 final-exam score will raise your grade but a low final-exam score will NOT lower your grade.**

There will be **NO make-up exam** for the final 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 final 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.,  $(\text{group project score} * 0.8) * 0.9 + \text{class participation}$ .

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.