ECON 2123 – Macroeconomics

School:	**School of Business and Management**
Subject Area:	**Economics**
Course Credit:	**3**
Instructor:	**NG Chi Yung**
Pre-requisite/co-requisite:	**Nil**

Notes:

- The syllabi provided here is for reference only and may be subject to changes and adjustments as determined by the course instructors.

The Hong Kong University of Science and Technology
ECON 2123: Introduction to Macroeconomics

Introduction to Macroeconomics
ECON 2123, Sections L1 and L2
Course credits: 3

Instructor Name: Marc Dordal Carreras
Email: marcdordal@ust.hk
Office Hours: Thursday 15:30 – 17:30, Room: LSK 6078; Zoom: https://hkust.zoom.us/my/marcdordal

TA Name: Cindy Mok
Email: cindymok@ust.hk
Office Hours: Monday 13:30-14:30, Location: LSK 6066;
        Zoom: https://hkust.zoom.us/j/93576006591?pwd=jHRb8pYg3AGDTiLSGEJtoq3HiQ8BqO.1

Course Description
This is an introductory course in macroeconomics. It covers business cycles in a closed economy, aggregate fluctuation in an open economy, and economic growth. This course deals with theory, data, and economic policies to develop a balanced perspective on the real-world economic environment.
We define major macroeconomic variables, such as gross domestic product, price level, and unemployment rate. Then, we will investigate how the goods and money markets move in the short run (IS-LM). Building on the IS-LM model, we include the labor market in the analysis to derive the AS-AD model for the medium run. We will extend the model to an open economy by bringing trade and exchange rates into the framework. Finally, we will study the long run trends in output, i.e., economic growth.

- This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Please try to attend all lectures and participate actively in discussions. Tutorials will be given on a weekly basis.
- Course Website: https://canvas.ust.hk
- Email policy
    o Please add [Econ 2123] in the title line of your email. It may take up to 2 or 3 days to respond in busy times like exam periods.
- Lecture Time and Location
    o L01
        ▪ Tuesday 13:30 – 14:50, Room: LSK 1009
        ▪ Thursday 13:30 – 14:50, Room: LSK 1009
    o L02
        ▪ Tuesday 12:00 – 13:20, Room: LSK 1009
        ▪ Thursday 12:00 – 13:20, Room: LSK 1009
- Weekly Tutorials
    o In tutorials, we will review course material, sharpen analytical techniques, and cover exercise questions.
    o The first tutorials will be held on September 10 (T02) and 14 (T01).
    o Tutorial Time and Location
        ▪ T01: Monday 12:30 – 13:20, Room: LSK 1007
        ▪ T02: Thursday 18:00 – 18:50, Room: LSK 1001
- Academic Calendar: https://registry.hkust.edu.hk/resource-library/calendar-dates-2024-25-0

Course Outline and Tentative Schedule

See accompanying schedule spreadsheet for a detailed description of daily topics.

1. Introduction and Measurement (Chapters 1 and 2): Weeks 1-2

2. The Short Run
   a. The Goods Market and The IS Relation (Chapter 3): Week 3
   b. Financial Markets and The LM Relation (Chapter 4): Week 4
   c. Goods and Financial Markets: The IS-LM Model (Chapter 5): Week 5

3. The Medium Run
   a. The Labor Market (Chapter 7): Week 6
   b. Putting All Markets Together: The AS-AD Model (Chapter 7 from the 6th edition): Week 7

4. The Open Economy
   a. Openness in Goods and Financial Markets (Chapter 17): Week 8
   b. The Goods Market in an Open Economy (Chapter 18): Week 9
   c. Output, the Interest Rate, and the Exchange Rate (Chapter 19): Week 10

5. The Long Run (if time permits)
   a. The Facts of Growth (Chapter 10): Week 11
   b. Saving, Capital Accumulation, and Output (Chapter 11): Week 12
   c. Technological Progress and Growth (Chapter 12): Week 13

- The following chapters will be covered in Managerial Macroeconomics (ECON 3024) in Spring 2025: The extended IS-LM model (Chapter 6), the Phillips curve (Chapter 8), the IS-LM-PC model (Chapter 9), expectations (Chapters 14-16), and exchange rate regimes (Chapter 20).

Intended Learning Outcomes (ILOs)
By the end of this course, students should be able to:
1. Identify important macroeconomic variables and understand their relationships, (ILO #3).
2. Gather and organize the relevant macroeconomic information for a given context, (ILO #1).
3. Apply tools learnt in class to analyse some historical and current macroeconomic events, (ILO #3).
4. Understand the operation of open economy and exchange rate related topics, (ILO #4).

Hopefully, you can also
1. Discuss the consequences of a macroeconomic shock or a policy shock, (ILO #3).
2. Develop an appreciation for macroeconomics and a desire to continue further study.

For the details of ILOs, please refer to the following link: UG - School Intended Learning Outcomes

Teaching & Learning Activities	Roles in the Course	ILO Addressed
Lectures	Explain key concepts and their applications; Cases and examples to build student's critical and analytical ability	1,2,3,4
Tutorials	Review and further illustration on important topics, practice problem-solving, encourage discussion and participation	1,2,3,4
Problem Sets	Enhance understanding of course materials and their application through practice	1,2,3,4

Assessment and Grading
This course will be assessed using criterion-referencing and grades will not be assigned using a curve. Detailed rubrics for each assignment are provided below, outlining the criteria used for evaluation.

Assessments:
Ordered chronologically by due date.

Assessment Task	Contribution to Overall Course grade (%)	Due date
Problem Set 1	3.75%	26/09/2024 *
Mid-Term 1	20%	08/10/2024 *
Problem Set 2	3.75%	22/10/2024 *
Mid-Term 2	20%	05/11/2024 *
Problem Set 3	3.75%	14/11/2024 *
Problem Set 4	3.75%	07/12/2024 *
Final examination	45%	TBD *

* Assessment marks for individual assessed tasks will be released within two weeks of the due date.

The conversion of numeric grades into letter grades is as follows:

Final grade, letter scale	Percent grade (over 100)
A+	Top 2 class grades >90, if any
A	>= 90
A-	< 90 - 85
B+	< 85 - 75
B	< 75 - 65
B-	< 65 - 50
C+	< 50 - 40
C	< 40 - 35
C-	<35 - 30
D	< 30 - 25
F	< 25 - 0, or found cheating

For your reference, approximately no more than 25% of the students taking this course achieved a letter grade of A- or above in the past.

Grading Rubrics
Detailed rubrics for each assignment will be provided. These rubrics clearly outline the criteria used for evaluation. Students can refer to these rubrics to understand how their work will be assessed.

Final Grade Descriptors:

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Students demonstrate a strong grasp of course materials, effectively utilize tools discussed, excel in problem sets, and perform exceptionally on exams. They exhibit exceptional analytical skills and critical thinking.
B	Good Performance	Students exhibit a solid understanding of course materials, proficient use of tools, and competent completion of problem sets. They show commendable analytical skills and effective critical thinking.
C	Satisfactory Performance	Students demonstrate an adequate understanding of course materials, satisfactory use of tools, and completion of problem sets. They display acceptable analytical skills.
D	Marginal Pass	Students show limited understanding of course materials, inconsistent use of tools, and incomplete performance in problem sets.
F	Fail	Students display a lack of understanding of course materials, inadequate use of tools, and unsuccessful completion of problem sets.

Course AI Policy
The use of generative artificial intelligence tools to complete assessment tasks is allowed.

Communication and Feedback
Assessment marks for individual assessed tasks will be communicated via Canvas within two weeks of submission. Feedback on assignments will include a numerical grade and optional comments for improvement. Students who have further questions about the feedback including marks should consult the instructor within five working days after the feedback is received.

Exam, Review Sessions, and Regrading policy
- Working in groups is welcome and recommended. However, each student should submit individually written reports.
- Late submissions will not be accepted.
- Graded problem sets will be submitted via Canvas.
- The final exam is cumulative but focuses on the materials discussed after the midterms.
- We will hold a review session (in class and/or during tutorial) before each exam.
- If there is an issue that prevents you from taking an exam, please contact the instructor BEFORE the exams.
- Regrading policy. If you believe that there is an error in the grading:
  - You can file a formal, typed regrading request to your TA. The request should list the question you want to be regraded and an explanation of why.
  - The request should be emailed to your TA within 7 days after the exam is returned.
  - The TA reserves the right to regrade the entire exam. Scores may increase or decrease as a result.
  - The TA further reserves the right to reject any request for fewer than 3 points.

Required Texts and Materials
- Blanchard, Olivier (2021), *Macroeconomics*, 8th ed., Pearson.
- Chapters from the textbook will be assigned as readings. You are expected to read them.
- A single chapter from the 6th edition will be provided electronically in PDF format.

Pearson, the book publisher, offers the following options for purchasing the book on campus or through the intranet. You are welcome to use these options or any other method of your choice.

The below two formats of the textbook are available for students this Fall Semester.

FORMAT	ISBN	TITLE DESCRIPTION
Print	9781292351476	Macroeconomics, Global Edition, 8E
Digital	9781292351605	MyLab Economics with Pearson eText for Macroeconomics, Global Edition, 8E

For the digital option, MyLab Economics, students can order online from the intranet, and the bookshop would provide the access code through email in around 2 to 3 working days.

Online purchase link:
https://w5.ab.ust.hk/cgi-bin/std_cgi.sh/WService=broker_ba_p/prg/ba_stdt_main.r

Pearson's online platform, MyLab Economics, offers additional services (free or paid) related to the book, such as extra practice exercises. The course **does not require** the purchase of any additional services or materials beyond the book mentioned above. If you wish to register for MyLab Economics, please refer to the instructions and registration codes provided in the PDF link below:
https://www.dropbox.com/scl/fi/12vhjsfryyohg2barghgy/MyLabEcon-student-registration-HKUST-ECON2123_FALL-2024-Prof.-Marc-Dordal-Carreras.pdf?rlkey=mlakteovxvhh2a20scm589ffo&st=i8s0824y&dl=0

For the print book, as there are some stock for the print book, students can go to the book booth and buy directly by telling the course code during the below period.

Book Booth details
Location: Student Centre
Date: 26th Aug 2024 to 30th Sep 2024
Opening hours: Mon to Fri, 9:30 – 18:00; Sat, 9:30 – 16:00; Sunday & Public Holiday - Closed.

References
This list is only for those who find macroeconomics fascinating and want to study further in the future. They are not included in the required readings.

- Garin, Julio, Robert Lester, and Eric Sims (2021). *Intermediate Macroeconomics*. https://www3.nd.edu/~esims1/gls_textbook.html
- Schmitt-Grohe, Stephanie, Martin Uribe and Michael Woodford (2019), *International Macroeconomics*. http://www.columbia.edu/~mu2166/UIM/index.html
- Landefeld, J. Steven, Eugene P. Seskin, and Barbara M. Fraumeni (2008). "Taking the Pulse of the Economy: Measuring GDP." *Journal of Economic Perspectives* 22 (2): 193–216. https://www.aeaweb.org/articles?id=10.1257/jep.22.2.193
- Romer, David H. (2000). "Keynesian Macroeconomics without the LM Curve." *Journal of Economic Perspectives* 14 (2): 149–69. https://www.aeaweb.org/articles?id=10.1257/jep.14.2.149
- Bernanke, S. Ben (2013), "A Century of US Central Banking: Goals, Frameworks, Accountability." *Journal of Economic Perspectives* 27(4): 3-16.
  https://www.aeaweb.org/articles?id=10.1257/jep.27.4.3
- Krugman, Paul (1994). "The myth of Asia's miracle." *Foreign Affairs* 73, November-December: 62-75.

Academic Integrity
Students are expected to adhere to the university's academic integrity policy. 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.

Student Counseling
Many students experience personal and family problems, as well as emotional difficulties, such as depression, suicidal thoughts, and anxiety, while in college. The Counseling and Wellness Center is available to consult with you regarding various emotional health issues that may affect you or your friends. The Counseling and Wellness Center is in Room 5003, Academic Building (via Lift 3). You can also make an online appointment with student counselors. Outside office hours, you can call 8208 2688, which is a 24-hour helpline for all HKUST students.

The Hong Kong University of Science and Technology

ECON 2123 – Macroeconomics (3 units)

Fall 2024, L3-6, Course Syllabus[i]

Instructor:	Fei DING (LSK 6084)	**TA:**	Astor FOK (LSK 6066)
Email:	feiding@ust.hk		ecastor@ust.hk
Office Hours:	By appointment		by appointment

Course Description

This is a common core course for HKUST business school students. In this introductory course to macroeconomic theory and policy analysis, we will introduce the ways economists look at economy from an "aggregate" perspective. We will start by introducing key macro variables that measure aggregate economic performance. The relationship among these key variables will then be studied under three timeframes: the short run, the medium run, and the long run.

In the short run, we will analyze the goods and financial markets, which form the foundation of the **IS-LM** model. A closed economy will be examined first, followed by an open economy in the short run. We will then move on to the labor market and put all three markets together to derive the **AS-AD** model in the medium run. Lastly, if time permits, we will further examine key aspects of **economic growth** in the long run. Altogether, the theoretical framework presented in this course will enable you to predict and analyze the impacts of government fiscal and monetary policies on the economy. The basic teaching materials closely follow the textbook and lecture notes.

I will use real world examples as much as possible to enhance your understanding of the course materials. We always hear news and commentaries regarding economic growth, unemployment, inflation, interest rate, national debt, and financial crisis, etc. Upon completion of this course, you should be able to understand some of these views and concerns, and to perform your own analysis in your daily life.

Intended Learning Outcomes (ILOs)

By the end of this course, students should be able to:

1. Identify important macroeconomic variables and understand their relationships. (SILO #3)
2. Gather and organize relevant macroeconomic information for a given context. (SILO #1)
3. Apply tools learnt in class to analyze historical and current macroeconomic events. (SILO #3)
4. Understand the operation of open economy and exchange rate related topics. (SILO #4)
5. Discuss the consequences of a macroeconomic or policy shock. (SILO #3)
6. Develop appreciation for macroeconomics and a desire to continue further study. (SILO #4)

Visit http://www.bm.ust.hk/sbmlearn/eng/thirdcat.php?sid=5&thirdid=3 for details of SILOs.

Course Format and Teaching Approach

This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Personal Response System (PRS) will be used during lectures to encourage class

participation and exchange of ideas. Tutorial classes will be arranged as needed on a weekly basis starting mid-September. We will review the lecture materials, work on selected exercises, and discuss homework problems before and after submission. Topics will be announced in advance on CANVAS Course Website. Please note that lectures and tutorials are not "substitutes" but "complements" to each other. Do attend both lectures and tutorials for your own benefit.

Use of Personal Response System (PRS)

PRS will be used during lectures starting from Lecture 2. Please download iPRS mobile app by visiting https://itsc.ust.hk/services/academic-teaching-support/teaching-tools/prs/iprs. The use of PRS is to encourage classroom participation, discussion, and exchange of ideas among students. Questions will be asked during lectures and the PRS allows you to respond in real time. A summary of answers will be shown and shared. I will discuss your answers with you. Active participation has proven to enhance students' understanding of course materials tremendously. Bonus points can be awarded to students with excellent participation records at the end of the term.

Require Textbook

Macroeconomics, Global Edition, written by Olivier Blanchard (and David R. Johnson), published by Pearson Education Inc.

Please note that the newest edition book is available at the university bookstore, but the 6th edition (or older) is preferred for our class. For students who are unable to find the 6th edition, corresponding chapters and supplementary readings will be posted on the CANVAS website.

Assessment and Grading

This course will be assessed using criterion-referencing. Detailed rubrics are provided below, outlining the criteria used for evaluation. Your overall score for the course will be computed based on the best outcome from the following two weighting schemes.

	Scheme 1	Scheme 2
4 Problem Sets @ 2% each	8%	
Mini project presentation	8%	
Mini project evaluation	4% = 8 × ½ per project	
Quizzes (best 5 @ 2% each)	10%	
Midterm Exam	25%	0%
Final Exam (cumulative)	45%	70%

Problem sets

There will be 4 problem sets to be submitted via the CANVAS website. NO hard copies, faxes, or emails will be accepted. Any late submission will result in **ZERO** mark, regardless of the reason. Please plan to avoid last-minute submission.

Problem sets will be graded based on **effort shown and legibility**. Suggested answers with detailed explanations will be posted on the CANVAS website after the deadline. If you have any questions about the problem sets, please seek help from the TA.

Mini project

Please refer to separate project handouts (canvas website) for a list of suggested topics. There are 3 slots available per project, per section. You must sign up, work together as a team, and contribute equally. Instructions for online sign-up via CANVAS -> People will be provided during our first lecture. You MUST sign up under your **registered section** and NO switching/changing will be allowed after the add/drop period (Sep. 14).

The outcome of the project will be in the form of an 8-10 min in-class presentation, followed by a 2-5 min Q&A. The presentation typically consists of 70% facts and 30% of your own views and opinions on the economic issue addressed. There are no right-or-wrong answers: You will be evaluated by efforts shown as well as the logic of your arguments. However, please note that this is an economic class – **any kind of political preaching is prohibited**.

***The instructor has the right to terminate any presentation deemed inappropriate and irrelevant to the topic, while ALL team members will get **zero** score for the project. ***

The presentation schedule will be updated on the course website as we go. To receive credits, each group MUST submit your presentation slides with a title page clearly showing the official names & student IDs of all members by 10pm the night prior to the scheduled presentation. Free riders will be penalized. I will downgrade your project score to 4% or 0 if complaints are brought to me from your teammates, depending on the severity of the problem.

Evaluation of project presentations

An evaluation survey for project presentations is available on CANVAS website for students to fill out during or after each talk. You will earn ½ point for each presentation that you evaluate, up to a maximum of 4 points. That is, each student is expected to listen carefully and think critically for at least 8 mini-project presentations to receive full credits under this category.

Quizzes (online via canvas)

Quizzes are used to gauge how well you grasp lecture materials so I can adjust my teaching pace accordingly. A typical quiz will last 10~15 minutes with a few multiple-choice and/or short-answer questions. Sample practice questions are available on the course website to help you with the preparation. I will announce the time slot when you can take a quiz at least 1 day in advance. The quiz will not be available at any other time, and **NO make-up** for whatever reasons. The best 5 quiz scores will be counted toward your overall grade.

Collaboration or discussion while taking a quiz is prohibited. Books, notes, and cheat sheets are allowed. However, I strongly urge you to treat quizzes as closed-book tests (i.e., prepare well beforehand) for your own benefit of learning.

Mid-term Exam (onsite and proctored)

The mid-term exam is scheduled for Thursday Oct. 17 from 7:30~8:30pm onsite at HKUST. I will give you more information regarding the venue and coverage. There will be **no make-up** for the mid-term exam. If you miss it for whatever reason, the weight will be shifted to your final exam.

Final Exam (onsite and proctored)

The final exam is CUMULATIVE. ARRO will arrange the date and time. I will NOT allow early exams. If you intend to travel at the end of the semester, please make your travel plans to avoid any potential schedule clash. Request for a change of final examination date will NOT be accommodated. Please plan your travel accordingly.

The final exam will contain multiple-choice, short-answer, and quantitative (long) questions that require detailed explanations in words, graphs, and algebraic calculations. I will offer more guidance on the preparation of the final exam toward the end of the semester.

Absence

You do NOT need to seek approval for absence from quizzes and mid-term exam, as there will be no makeups. However, if for any reason, you are unable to attend the final exam, you **MUST seek approval** of absence BEFORE the exam. Your request should be supported by valid documents, such as a medical certificate issued by a registered medical practitioner. Note that outside activities or more than one exam on the same day are not acceptable excuses. Absence from the final exam without prior approval of absence would result in ZERO score.

For students who are absent from the final exam with prior approval, a make-up exam will be arranged. The make-up exam will be scheduled as soon as possible and should be within one week of the original exam date. It is your responsibility to ensure your availability. The instructor has the final discretion on all arrangements regarding the make-up final exam. Students who request the make-up final exam should comply with all requirements as communicated by the instructor, TA, and/or department EO. Failing to meet any requirement may result in a ZERO score.

Grading disputes

Please check your grades as soon as they are released. Any disagreement should be reported to the TA **within one week** of the grade release date. Late complaints will NOT be accommodated.

In the event of a successful appeal, not just the discrepancy part but the entire paper will be reassessed for the whole class. The reassessment may result in a grade higher or lower than the one previously given.

Mapping of Course ILOs to Assessment Tasks

Teaching & Learning Activities	Roles in the Course	SILO Addressed
Lectures	Explain key concepts and their applications; Cases and examples to build students' critical and analytical ability.	1,2,3,4

In-class Q&A through IPRS and mini-projects	Encourage class participation, critical thinking, independent research, and discussion.	1,2,3,4
Tutorials and problem sets	Review with further illustration on important topics, problem-solving, encourage discussion and participation.	1,2,3,4
Problem Sets, quizzes, and exams	Enhance understanding of course materials and their applications through practice.	1,2,3,4

Final Grade Descriptors

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Demonstrates a comprehensive grasp of subject matter, expertise in problem-solving, and significant creativity in thinking. Exhibits a high capacity for scholarship and collaboration, going beyond core requirements to achieve learning goals.
B	Good Performance	Shows good knowledge and understanding of the main subject matter, competence in problem-solving, and the ability to analyze and evaluate issues. Displays high motivation to learn and the ability to work effectively with others.
C	Satisfactory Performance	Possesses adequate knowledge of core subject matter, competence in dealing with familiar problems, and some capacity for analysis and critical thinking. Shows persistence and effort to achieve broadly defined learning goals.
D	Marginal Pass	Has threshold knowledge of core subject matter, potential to achieve key professional skills, and the ability to make basic judgments. Benefits from the course and has the potential to develop in the discipline.
F	Fail	Demonstrates insufficient understanding of the subject matter and lacks the necessary problem-solving skills. Shows limited ability to think critically or analytically and exhibits minimal effort towards achieving learning goals.

Course AI Policy

You are prohibited from using generative artificial intelligence (AI) to produce any materials or content related to the assessment task.

Communication and Feedback

Assessment marks for individual assessed tasks will be communicated via Canvas within two weeks of submission. Students who have further questions about the feedback, including marks, should consult the instructor and/or TA within five working days after the feedback is received.

How to Get Help

Emails are quick and straightforward ways to communicate nowadays. Most messages will be answered within hours. Please address BOTH your TA and instructor in all your email inquiries for quicker response. You are also welcome to make appointments with any of us. If you encounter any problems or feel under pressure, I urge you in the strongest possible terms, to get help immediately. We would be happy to talk with you and help you find appropriate solutions.

Please note the following guidelines for efficient communication with your TA and the instructor.

1. If you have questions regarding course organization such as materials covered & to be covered, quiz dates, assessment schemes, etc., please check CANVAS website and course syllabus first.

2. Before contacting your TA or instructor, please make sure that you have a) read the textbook and lecture notes, b) discussed with your classmates, and c) put sufficient effort to find the answers by yourself.

3. Try to ask questions before, during, and after lectures and tutorials. It is best to discuss topics right after they are taught. Please do not hesitate to raise your hands.

4. Please DO NOT draft long emails with many questions. It is much more efficient to come and talk to instructor/TA directly.

5. Please discuss your questions with classmates and friends first. Argue and debate with them, persuade them, find flaws in their (or your own) arguments, and figure out the best way to deliver your ideas and thoughts. This practice will help you not only in this course, but also in your future job-hunting process.

Classroom Etiquette

You are expected to be punctual in both lectures and tutorials. Please respect others and do not disturb others with side conversations, Internet surfing, email checking, or instant messaging during class time. If you have any questions, please raise your hand, NO CHATTER. Please visit the university website for general guidelines on proper classroom behavior.

Continuous Teaching Evaluation

Student feedback is essential for course improvement. I encourage continuous teaching evaluation. At any time during the semester, you may verbally or anonymously give me your feedback about

my teaching. This evaluation can include 1) things that you like; 2) things that you dislike; and 3) suggestions for improvement. I will take all comments seriously and confidentially.

Academic Integrity

Students are expected to adhere to the university's academic integrity policy. 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.

It is your responsibility to understand the Academic Honor Code and all contents on the Academic Integrity website. The Code will be STRICTLY enforced. I will report any cases to the University WITHOUT EXCEPTIONS. Cheating will result in an automatic "F" for the course.

Tentative Schedule

Part 1: Introduction to macroeconomics	Ch1-2
Part 2: The short run closed economy (IS-LM model)	Ch3
	Problem set 1
	Ch4-5 (6th edition)
	Problem set 2
Part 3: The short run open economy (IS-LM-UIP model)	Ch18-20 (6th edition)
	Problem set 3
Part 4: The medium run (AS-AD model)	Ch6-7 (6th edition)
	Problem set 4
~~Part 5 (optional): The long run (Growth model)~~	
	Final Exam

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[i] The instructor reserves the right to final interpretation of the course syllabus and the right to amend the syllabus, if necessary.

ECON 2123: Macroeconomics
Section Syllabus: L07 and L08

1. WHO ARE THE INSTRUCTORS?

General Information
- Instructor: Zhang Chen (zhangchen@ust.hk)
- Section Time and Location (3 Units)
  - L07
    - Tuesday 9:00 – 10:20, Room: 6602
    - Thursday 9:00 – 10:20, Room: 6602
  - L08
    - Tuesday 15:00 – 16:20, Room: 2302
    - Thursday 15:00 – 16:20, Room: 2302
- Office hours: Tuesday 10:30 – 11:30, Thursday 10:30 – 11:30; Room: LSK 6009

- Course Website: https://canvas.ust.hk

Teaching Assistants
- Name: Emily Chen (eckuan@ust.hk)
  - T07: Friday 15:00 – 15:50, Room: CYTG009B
  - T08: Thursday 13:30 – 14:20, Room: LSK1034
- Office hours: Thursday 16:30 – 17:30, Room: LSK6066

- Weekly Tutorials
  - In tutorials, we will review course material, sharpen analytical techniques, and cover exercise questions.
  - The first tutorials will be held on Sep 13 (T07) and Sep 12 (T08).

2. WHAT IS THIS COURSE ABOUT?

Course Description

This is an introductory course in macroeconomics. It covers business cycles in a closed economy, aggregate fluctuation in an open economy, and economic growth. This course deals with theory, data, and economic policies to develop a balanced perspective on the real-world economic environment.

      We define major macroeconomic variables, such as gross domestic product, price level, and unemployment rate. Then, we will investigate how the goods and money markets move in the short run (IS-LM). Building on the IS-LM model, we include the labor market in the analysis to derive the AS-AD model for the medium run. We will extend the model to an open economy by bringing trade and exchange rates into the framework. Finally, we will study the long run trends in output, i.e., economic growth.

Required Textbook

- Blanchard, Olivier (2021), *Macroeconomics*, 8th ed., Pearson.
- Chapters from the textbook will be assigned as readings. You are expected to read them.
- A single chapter from the 6th edition will be provided electronically in PDF format.

References

This list is only for those who find macroeconomics fascinating and want to study further in the future. They are not included in the required readings.

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- Schmitt-Grohe, Stephanie, Martin Uribe and Michael Woodford (2019), *International Macroeconomics*. http://www.columbia.edu/~mu2166/UIM/index.html
- Landefeld, J. Steven, Eugene P. Seskin, and Barbara M. Fraumeni (2008). "Taking the Pulse of the Economy: Measuring GDP." *Journal of Economic Perspectives* 22 (2): 193–216. https://www.aeaweb.org/articles?id=10.1257/jep.22.2.193
- Romer, David H. (2000). "Keynesian Macroeconomics without the LM Curve." *Journal of Economic Perspectives* 14 (2): 149–69. https://www.aeaweb.org/articles?id=10.1257/jep.14.2.149
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Learning Outcome – School Intended Learning Outcomes ("SILOs")
Upon successful completion of this course, you should be able to:
- Identify important macroeconomic variables and understand their relationships; (SILO #3)
- Gather and organize the relevant macroeconomic information for a given context; (SILO #1)
- Apply tools learnt in class to analyse some historical and current macroeconomic events. (SILO #3)
- Understand the operation of open economy and exchange rate related topics. (SILO #4)

Hopefully, you can also
- Discuss the consequences of a macroeconomic shock or a policy shock; (SILO #3)
- Develop an appreciation for macroeconomics and a desire to continue further study.

For the details of SILOs, please refer to the following link:
UG - School Intended Learning Outcomes

Course Format / Teaching Approach:
This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Please try to attend all lectures and participate actively in discussions. Tutorials will be given on a weekly basis. Academic calendar: https://registry.hkust.edu.hk/resource-library/calendar-dates-2023-24.

Teaching & Learning Activities	Roles in the Course	SILO Addressed
Lectures	Explain key concepts and their applications; Cases and examples to build student's critical and analytical ability	1,2,3,4
Tutorials	Review and further illustration on important topics, practice problem-solving, encourage discussion and participation	1,2,3,4
Problem Sets	Enhance understanding of course materials and their application through practice	1,2,3,4

Course Outline and Tentative Schedule

    I.   Introduction and Measurement (Chapters 1 and 2): Weeks 1-2

   II.   The Short Run
- a. The Goods Market and The IS Relation (Chapter 3): Week 3
- b. Financial Markets and The LM Relation (Chapter 4): Week 4
- c. Goods and Financial Markets: The IS-LM Model (Chapter 5): Week 5

  III.   The Medium Run
- a. The Labor Market (Chapter 7): Week 6
- b. Putting All Markets Together: The AS-AD Model (Chapter 7 from the 6th edition): Week 7

  IV.   The Open Economy
- a. Openness in Goods and Financial Markets (Chapter 17): Week 8
- b. The Goods Market in an Open Economy (Chapter 18): Week 9
- c. Output, the Interest Rate, and the Exchange Rate (Chapter 19): Week 10

   V.   The Long Run (if time permits)
- a. The Facts of Growth (Chapter 10): Week 11
- b. Saving, Capital Accumulation, and Output (Chapter 11): Week 12
- c. Technological Progress and Growth (Chapter 12): Week 13

- The following chapters will be covered in Managerial Macroeconomics (ECON 3024) in Spring 2024: The extended IS-LM model (Chapter 6), the Phillips curve (Chapter 8), the IS-LM-PC model (Chapter 9), expectations (Chapters 14-16), and exchange rate regimes (Chapter 20).

3. ASSESSMENT / EXAMS / PROBLEM SETS

This course will be assessed using **criterion-referencing** and **grades will not be assigned using a curve**. Detailed rubrics for each assignment are provided below, outlining the criteria used for evaluation.

Assessment Scheme

Problem Sets	20.1%	4 problem sets
Midterm	29.9%	In-class, October 10, Thursday
Final	50%	TBA

- 20.1% * Problem Sets + 29.9% * Midterm + 50% * Final
- Attending lectures and tutorials is not mandatory but strongly recommended.

Exam, Review Sessions, and Regrading policy
- The final exam focuses on the materials discussed after the midterm.
- We will hold a review session (in class and/or during tutorial) before the final.
- University holidays (no class): 1 October (Tuesday)
- If there is an issue that prevents you from taking an exam, please contact the instructor BEFORE the exams.
- Regrading policy.   If you believe that there is an error in the grading,
  - you can file a formal, typed regrading request to your TA. The request should list the question you want to be regraded and an explanation of why.
  - The request should be emailed to your TA within 7 days after the exam is returned.
  - The TA reserves the right to regrade the entire exam. Scores may increase or decrease as a result.
  - The TA further reserves the right to reject any request for fewer than 3 points.

Problem Sets
- We will have four problem sets, and all of them 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.
- Graded problem sets will be submitted via Canvas.

Mapping of Course ILOs to Assessment Tasks

Assessed Task	Mapped ILOs	Explanation
Problem Sets, Midterm, Final	ILO1, 2, 3, 4	These tasks assesse students' ability to explain and apply basic concepts in macroeconomics (ILO 1), evaluate their implications on business and households' decisions

		(ILO 2), critically understand and analyze citizenship role in modern economies (ILO 3 and 4).

Grading Rubrics

Problem sets are marked by check($\checkmark$) and check-plus ($\checkmark$+). The TA will assign 20 points for check-plus and 19 points for check based on the following criteria:

- Students who attempt to answer most questions and clearly demonstrate their reasoning will receive a check-plus.
- Students who answered less than 70% of the questions or do not adequately explain their reasoning will receive a check.

Mid-term and final exams will comprise a number of questions with a total numeric score of 100. The exam-specific numeric score will then be transferred into the final numeric score by the assigned weights in the above. Each problem in each exam will have a clear label of scores on the exam paper. The total score of each exam is the sum of the score of each problem.

Final Grade Descriptors:

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Students demonstrate a strong grasp of course materials, effectively utilize tools discussed, excel in problem sets, and perform exceptionally on exams. They exhibit exceptional analytical skills, critical thinking, and effective participation in class discussions.
B	Good Performance	Students exhibit a solid understanding of course materials, proficient use of tools, and competent completion of problem sets. They show commendable analytical skills, effective critical thinking, and participation in class discussions.
C	Satisfactory Performance	Students demonstrate an adequate understanding of course materials, satisfactory use of tools, and completion of problem sets. They display acceptable analytical skills and participation in class discussions.
D	Marginal Pass	Students show limited understanding of course materials, inconsistent use of tools, and incomplete performance in problem sets. Their participation in class discussions is minimal.
F	Fail	Students display a lack of understanding of course materials, inadequate use of tools, and unsuccessful completion of problem sets. They show little to no participation in class discussions.

Course AI Policy
Generative artificial intelligence tools are not useful for this course. Students may consult these tools but are not encouraged.

Communication and Feedback

Assessment marks for individual assessed tasks will be communicated via Canvas within two weeks of submission. Students who have further questions about the feedback including marks should consult the TA within five working days after the feedback is received. Specifically,

- Feedback on assignments will explain why a student did not receive a check-plus on their problem sets.
- There will be a paper-checking session during the tutorial after the midterm to review the correct answers to exam questions, discuss the grading policy, and allow students to ask any questions.
- One-on-one paper-checking office hours will be hold after the final exam for students to review their final exam grading.

Resubmission Policy

In general, resubmission after the deadline will be declined. Students with special needs should seek approval for an extension from the instructor **before the submission deadline** with valid reasons and appropriate evidence.

Academic Integrity

Students are expected to adhere to the university's academic integrity policy. 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.

4. WHEN YOU HAVE QUESTIONS OR SUGGESTIONS

Email policy

- Please add [Econ 2123] in the title line of your email. It may take up to 2 or 3 days to respond in busy times like exam periods.

Professor Office Hours

- Time and Location: Tuesday 10:30 – 11:30 and Thursday 10:30 – 11:30, LSK 6009.
- Meeting by appointment is possible, but it will be more efficient to do Q&A before or after lectures and during office hours.
- You can also meet the TA's during the TA's office hours.
- Questions asked right before the due dates of problem sets and exams may not be answered.

5. STUDENT COUNSELING

Many students experience personal and family problems, as well as emotional difficulties, such as depression, suicidal thoughts, and anxiety, while in college. The Counseling and Wellness Center is available to consult with you regarding various emotional health issues that may affect you or your friends. The Counseling and Wellness Center is in Room 5003, Academic Building (via Lift 3). You can also make an online appointment with student counselors. Outside office hours, you can call 8208 2688, which is a 24-hour helpline for all HKUST students.

Course title: Macroeconomics – L9

Course code: ECON 2123

Provided by: Department of Economics

Enrollment requirement: None

No. of credits: 3

Instructor: Zhesheng QIU

Course Description

This is an introductory level course in macroeconomics that covers the following three topics:
(1) short-run and medium-run economic fluctuations in a closed economy,
(2) short-run economic fluctuations in an open economy,
(3) long-run economic growth in a closed economy.
This course deals with theory, data, and economic policies to develop a balanced perspective on the real-world economic environment in non-technical ways.

We define major macroeconomic variables, such as gross domestic product, price level, and unemployment rate. Then, we will investigate how the goods and financial markets move in the short run. Building on the IS-LM model, we include the labor market in the analysis to derive the AS-AD model for the medium run. We will extend the model to an open economy by bringing trade and exchange rates into the framework. Finally, we will study the long run trends in output, i.e., economic growth.

Required Textbook

- Blanchard, Olivier (2021), *Macroeconomics*, 8th ed., Pearson.
- A single chapter from the 6th edition will be provided electronically in PDF format.

School Intended Learning Outcomes (SILOs)

Upon successful completion of this course, you should be able to:
(1) Identify important macroeconomic variables and understand their relationships; (SILO#3)
(2) Gather and organize the relevant macroeconomic information for a given context; (SILO#1)
(3) Apply tools learnt in class to analyze historical and current macroeconomic events; (SILO#3)
(4) Understand the operation of open economy and exchange rate related topics. (SILO#4)

Hopefully, you can also
(1) Discuss the consequences of a macroeconomic shock or a policy shock; (SILO#2)
(2) Develop an appreciation for macroeconomics and a desire to continue further study.

For the details of SILOs, please refer to
UG - School Intended Learning Outcomes

Course Format

This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Please try to attend all lectures and participate actively in discussions. Tutorials will be given on a weekly basis starting from the second week.

The academic calendar is provided in the following link:
https://registry.hkust.edu.hk/calendar_dates/dates24-25confirmed.pdf.

Lectures	**Instructor**	Zhesheng QIU (zheshqiu@ust.hk)
	Time and venue	10:30-11:50 Mon & Wed at 2302 (Lifts 17-18)
	Office hour	13:30-15:30 Mon at 6080 LSK
Tutorials	**Teaching assistant**	Emily CHEN (eckuan@ust.hk)
	Time and venue	10:30-11:20 Fri (from week 2) at 1001 LSK
	Office hour	16:30-17:30 Thu at 6066 LSK

Tentative Schedule for 3 Sections of this Course

Date	Plan
Sep 02 (Mon) & Sep 04 (Wed)	Ch01&02 – A tour of the world and the book
Sep 09 (Mon) & Sep 11 (Wed)	Ch03 – the goods market: the IS curve
Sep 16 (Wed) & Sep 23 (Mon)	Ch04 – the financial market: the LM curve
Sep 25 (Wed) & Sep 30 (Mon)	Ch05 – the goods and financial markets: the IS-LM model
Sep 25 (Wed) to Oct 04 (Fri)	Problem set 1 (10 MC + 1 Essay question, open book) in canvas
Oct 09 (Wed)	Midterm 1 (10 MC + 1 Essay question, closed book) in class
Oct 02 (Wed) & Oct 07 (Mon)	Ch07 (8th ed) – the labor market
Oct 14 (Mon) & Oct 16 (Wed)	Ch07 (6th ed) – putting all markets together: the AS-AD model
Oct 21 (Mon) & Oct 23 (Wed)	Ch17&18 – openness in the goods and financial markets
Oct 28 (Mon) & Oct 30 (Wed)	Ch19 – the open economy version of the IS-LM model
Oct 28 (Mon) to Nov 06 (Wed)	Problem set 2 (10 MC + 1 Essay question, open book) in canvas
Nov 11 (Mon)	Midterm 2 (10 MC + 1 Essay question, closed book) in class
Nov 04 (Mon) & Nov 06 (Wed)	Ch10 – the facts of growth
Nov 13 (Wed) & Nov 18 (Mon)	Ch11 – saving, capital accumulation, and output
Nov 20 (Wed) & Nov 25 (Mon)	Ch12 – technological progress and growth
Nov 20 (Wed) to Nov 29 (Fri)	Problem set 3 (10 MC + 1 Essay question, open book) in canvas
Nov 27 (Wed)	Course review
After Dec 08	Final exam (accumulative, 20 MC + 2 Essays question, closed book)

Assessment Rule and Grading Rubrics

Overall score

- Overall score = 25% problem set score + 25% midterm score + 50% final score

Problem sets

- The problem sets are open book.
- Your answers to the problem sets should be submitted in canvas by the due date. No late submission is accepted.
- You may work on the problem set in any way you like, but it is highly suggested that you first treat it as a practice for exams and then check the answers for review purposes.
- The grading rubric is lenient because the problem sets emphasize more about the learning activities instead of the learning outcomes.
- Problem set score = 100 if 3/3 completed and submitted
  Problem set score =   80 if 2/3 completed and submitted
  Problem set score =   60 if 1/3 completed and submitted
  Problem set score =   0 if 0/3 completed and submitted

Midterm exams

- The midterm exams are closed book and in class.
- Each midterm exam covers the corresponding section of the course materials.
- Each midterm exam will be graded according to rubrics stated in the question papers.
- The possible score of each midterm exam is between 0 and 100.
- Midterm score = max {midterm 1 score, midterm 2 score}.
- No makeup midterm exam will be provided.

Final exam

- The final exam is closed book and arranged by the university.
- The final exam is accumulative and covers all course materials of the semester with more weights on those not covered by the two midterm exams.
- The final exam will be graded according to rubrics stated in the question papers.
- The possible score of the final exam is between 0 and 100.
- Absence in the final exam without informing the instructor **BEFORE** the final exam may result in a score of **ZERO**.

Attendance

- No mandatory attendance requirements for regular lectures and tutorials.

Mapping of SILOs to Assessment Tasks

Assessed Task	Mapped SILOs	Explanation
Problem Sets	SILO1, SILO2, SILO3, SILO4	Problem sets & midterm exams are designed
Midterm Exams	SILO1, SILO2, SILO3, SILO4	as mini versions of the final exam, including
Final Exam	SILO1, SILO2, SILO3, SILO4	a variety of questions to cover all SILOs.

Final Grade Descriptors

Grades	Scores	Description	Elaboration
A+	Top 2 of A		Deep understanding of lecture materials.
A	>= 90	Excellent	Proficient utilization of introduced analytical tools.
A–	85 to 89		Effective communication on related topics.
B+	80 to 84		Solid understanding of lecture materials.
B	75 to 79	Good	Appropriate utilization of introduced analytical tools.
B–	70 to 74		Fluent communication on related topics.
C+	65 to 69		Adequate understanding of lecture materials.
C	60 to 64	Satisfactory	Being able to utilize introduced analytical tools.
C–	50 to 59		Being able to communicate on related topics.
D	40 to 49	Marginal Pass	Partial understanding of lecture materials.
F	< 40	Fail	Lack of understanding of lecture materials.

Note that there is no "grade curving".

Academic Integrity

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Regrading Policy

If you believe that there is an error in the grading, you can file a formal, typed regrading request to your TA. The request should list the question you want to be regraded and an explanation of why. The request should be emailed to your TA within 7 days after the exam is returned. The TA reserves the right to regrade the entire exam. Scores may increase or decrease as a result.

Communication and Feedback

- **Email policy:** Please add [Econ 2123] in the title line of your email. It may take up to 2 or 3 days to respond in busy times like exam periods. You may resend the email if there happens to be no response after 48 hours. Questions asked right before the due dates of problem sets and exams may not be answered.
- **Office hour:** You are encouraged to utilize the office hour of both the instructor and the TA. Meetings outside of the office hour via appointment are possible if necessary.
- **Course feedback:** Early course feedback is appreciated. It could be sent to the mailbox of the instructor or from under the door of the instructor's office anonymously.