

THE UNIVERSITY OF HONG KONG
FACULTY OF BUSINESS AND ECONOMICS
School of Economics and Finance

ECON0109/ECON3229 – Topics in Macroeconomics

GENERAL INFORMATION

Instructor: Dr. Clement Wong
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Office hours: TBA

* Please send your emails to the instructor directly from your email account, do not use the email facility in Moodle.

Class: Tuesday 13:30 – 16:20 in MB151

Pre-requisites: ECON2101/ ECON2210 Intermediate microeconomics and ECON2102/ ECON2220 Intermediate Macroeconomics

Warning: Most macroeconomic topics covered in this course are open-economy in nature, students are strongly advised to complete an international macroeconomics course, i.e. ECON0302/ ECON2253 International Macroeconomics at HKU, before taking this course.

Mutually exclusive courses: N/A

Co-requisites: N/A

COURSE DESCRIPTION

This is a special-topics course on macroeconomics, i.e. the study of aggregate or economy-wide behavior. The course pitches at a relatively advance level and comes with a lot of reading assignments. Students are expected to have a strong macroeconomic background and passion for the subject in order to be able to cope with the course.

It is divided to two parts. Part one introduces the standard analytical tools and models used by international economists. Both the traditional partial equilibrium and the new general equilibrium intertemporal models will be covered. Part 2 of the course applies these models to a variety of current issues in open-economy macroeconomics, such as central bank intervention, currency and balance of payment crises, capital flows and controls, optimal currency area and choice of exchange rate systems.

COURSE LEARNING OUTCOMES		
Course Learning Outcomes	Aligned Faculty Goals	
CLO1. To construct and solve open-economy macroeconomic models.	Goal# 1, 2, 3, 4, 5	
CLO2. To understand the linkage between the real and financial sector in an open-economy setting.	Goal# 1, 2, 3, 4, 5	
CLO3. To analyze the effects of various shocks or policies to an economy under various assumptions about a country's degree of openness, exchange rate regimes, and its economic characteristics.	Goal# 1, 2, 3, 4, 5	
CLO4. To apply the open-economy macromodels to analyze contemporary issues in open-economy macroeconomics, such as currency crisis, use of capital controls to cope with volatile capital flows, and Eurozone sovereign debt crisis, etc.	Goal# 1, 2, 3, 4, 5	
<p>* Faculty Goals are as follows:</p> <ol style="list-style-type: none"> 1. Acquisition and internalization of knowledge of economics & finance 2. Application and integration of knowledge 3. Inculcating Professionalism and Leadership 4. Developing global outlook 5. Mastering communication skill 		
COURSE TEACHING AND LEARNING ACTIVITIES		
Course Teaching and Learning Activities	Expected contact hour	Study Load (% of study)
T&L1. Lectures	36	35%
T&L2. Self Study	84	65%
Total	120	100%

Assessment Methods	Weight	Aligned Course Learning Outcomes
A1. 3 – 4 Assignments	15%	CLO1-4
A2. Midterm exam	15%	CLO1-4
A3. Term paper (in group of 2 to 3 students)	20%	CLO1-4
A4. Final examination	50%	CLO1-4
	100%	

STANDARDS FOR ASSESSMENT

Course Grade Descriptors

A+, A, A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
B+, B, B-	Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
C+, C, C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.
D+, D	Evidence of basic familiarity with the subject.
F	Little evidence of basic familiarity with the subject.

Assessment Rubrics for Each Assessment: same as in course grade descriptors.

REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS

There is no required textbook because course materials will be selected from many sources (including some journal papers) and the reference books are very expensive. The followings are some, although not all, reference books for the course.

1. *International Finance*, 10th edition, by Krugman, Obstfeld, and Melitz. Pearson, 2015.
2. *International Macroeconomics*, 3rd edition, by Feenstra and Taylor, Worth Publishers, 2014.
3. *Foundations of International Macroeconomics*, by Obstfeld and Rogoff, MIT Press, 1996.*
4. *Exchange Rates and International Finance*, 6th edition, by Laurence Copeland, Pearson 2015.
5. *Exchange Rate Economies: Theory and Evidence*, 1st edition, by Ronald MacDonald, Routledge 2007.*
6. *Macroeconomics in Emerging Markets*, 2nd edition, by Peter J. Montiel, Cambridge University Press 2011.

* Ebook also available in the library.

COURSE POLICY

1. This class does not have regular weekly tutorials. There will be about 4 tutorials and you will be informed when they are scheduled.
2. Specific reading assignment will be given every week as the course proceeds.
3. Since the reading assignments come from various books and papers, the notations will change frequently. Please bear with this inconvenience!
4. Please do check your email regularly for course announcements from the instructor.
5. Do not abuse the convenience of emails.
 - (i) Do not ask about things you are supposed to know, such as those in Moodle or emails from the instructor/TA.
 - (ii) Minimize emailing your questions to the instructor/TA since it is often difficult to answer questions effectively via emails. Please go to see them in person during their office hours.

6. Midterm Examination Policies

No supplementary midterm examination will be given. If you have a legitimate reason for missing the midterm, its weight will be added to that of the final examination. The only legitimate reason is sickness. You must inform the instructor (via email, phone call or voice message) *before* the examination starts and provide a doctor certificate to verify that you have sought medical treatment *prior to* the exam and that you are unfit to take the examination.

7. Classroom conduct: Be a considerate and mature person. The instructor and TA have the discretion to impose penalty in case of classroom misconduct.

- (i) Do not videotape or audio record the lecture without the instructor's consent.
- (ii) Please observe the following good practice:
 - Come to class and return from the break on time.
 - In case you are late, minimize disruption to the class by sitting at the back.
 - If you have to leave the class early, please inform the instructor beforehand and sit close to the door.
 - Use of mobile/smart phone for *any* purposes and chatting are strictly prohibited when the class is in session. Remember to turn off your phone before class starts.

8. Academic Conduct

The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>

Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

a. Plagiarism - The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be **acknowledged**.

b. Unauthorized Collaboration on Out-of-Class Projects - The representation of work as solely one's own when in fact it is the result of a joint effort. Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

(1) The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence;

(2) The relevant Board of Examiners may report the candidate to the Senate, where there is *prima facie* evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

Plagiarism will automatically result in at least a failing grade for the plagiarized assignment or examination, and possibly the entire course depending on the severity of the case. Serious cases will be referred to the University's Disciplinary Committee.

Tentative topics

Open-economy Intertemporal Models

Open macro models (monetary models, Mundell Flemming models, portfolio balance models, tradable and non-tradeable goods models)

Public Finance and Fiscal Policy

Exchange Rate Regimes and Management

Financial Openness and Capital Flows

Currency Crisis and Sudden Stops