

**THE UNIVERSITY OF HONG KONG**  
**Faculty of Business and Economics**  
**School of Economics and Finance**

**ECON0302/ECON2253 International Macroeconomics**  
**Semester 1, 2016-17**

<b>GENERAL INFORMATION</b>	
<p>Instructor: Dr. Clement Y. P. Wong            Email*: ypclemw@hku.hk *            Office: KKL921            Tel: 2859-1037            Office hours: TBA</p> <p>* Please send your emails to the instructor/TA directly from your email account, do not use the email/communication facility in Moodle.</p> <p>Class: Tuesday 13:30 – 16:20 in KK102</p> <p>Pre-requisites: ECON1001/ECON1210 Introductory microeconomics; and            ECON1002/ECON1220 Introductory macroeconomics</p> <p><b><u>Warning:</u></b></p> <p><b>This course requires a very solid background in macroeconomic theories. You are <u>strongly</u> advised to take either ECON2220 Macroeconomic Theory or ECON2221 Macroeconomic Analysis before attempting this course.</b></p>	
<b>COURSE DESCRIPTION</b>	
<p>This course is about the international macroeconomic and financial linkages among countries. The main topics include balance of payment accounting, foreign exchange market, international parity conditions, open economy macroeconomic models and international monetary system.</p>	
<b>COURSE OBJECTIVES</b>	
<ol style="list-style-type: none"> <li>1. To understand and apply macroeconomic theories and concepts in an open-economy setting.</li> <li>2. To understand current issues in international finance such as financial crisis and euro zone debt crisis.</li> </ol>	
<b>COURSE LEARNING OUTCOMES</b>	
<b>Course Learning Outcomes</b>	<b>Aligned Faculty Goals</b>
CLO1. Describe the basic macroeconomic and accounting frameworks of the linkages between economies through international investment and trade.	Goal# 1, 2, 4
CLO2. Describe the operation of the foreign exchange market and exchange rate systems. Evaluate the pros and cons of different exchange rate systems.	Goal# 1, 2,4
CLO3. Derive the international parity conditions that link national exchange rates, interest rates, and price levels and apply them to forecast exchange rate movements.	Goal# 1, 2, 4
CLO4. Apply open-economy macroeconomic models to predict the effects of macroeconomic policies and prescribe policy responses to economic shocks.	Goal# , 2, 4
CLO5. Evaluate current international finance issues such as currency crises, accumulation of foreign exchange reserves and the future of euro.	Goal# 1, 2, 4

<p><b>Faculty Goals are as follows:</b></p> <ol style="list-style-type: none"> <li>1. Acquisition and internalization of knowledge of economics &amp; finance</li> <li>2. Application and integration of knowledge</li> <li>3. Inculcating Professionalism and Leadership</li> <li>4. Developing global outlook</li> <li>5. Mastering communication skills</li> </ol>	
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**COURSE TEACHING AND LEARNING ACTIVITIES**

<b>Course Teaching and Learning Activities</b>	<b>Expected contact hour</b>	<b>Study Load (% of study)</b>
T&L1. Lectures	39 hours	32.5%
T&L2. In-class and tutorial presentation and discussion	12 hours	10.0%
T&L3. Working on assignments	20 hours	12.5%
T&L4: Self study	59 hours	45.0%
Total	130 hours	100%

<b>Assessment Methods</b>	<b>Brief Description (Optional)</b>	<b>Weight</b>	<b>Aligned Course Learning Outcomes</b>
A1. Group assignments	3 to 4 group assignments will be given. Due to the nature of the course, they tend to concentrate in the second half of the semester. (Group size varies from 2 to 4 depending on the complexity of the assignment.)	18%	All CILOs (1-5)
A2. Class participation	Credits will be given if you can add value to the discussion in tutorials or even in lectures, e.g. present your answer satisfactorily, ask good questions, and share your views. Learning attitude such as efforts and classroom behavior will also be considered in granting class participation credits.	5%	
A3. Midterm exam	Midterm examination will be held during class period.	27%	
A4. Final exam		50%	
	Total	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.

**COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE**

<u>Topics</u>	<u>Reading (from required textbook)</u>
<u>1. Introduction (3 weeks)</u>	
Overview of the global economy	Ch. 1 (Self reading)
National income accounts and Balance of payments	Ch. 5
Foreign exchange market	Ch. 2
International parity conditions (UIP and CIP)	Ch. 2, Ch. 11 section 11.2
<u>2. Open-economy macro models (4 weeks)</u>	
Long run exchange rate model	Ch. 3, Ch. 11 section 11.1
Short-run exchange rate model	Ch. 4
Medium run exchange rate model (Mundell Flemming Model)	Ch. 7
<u>3. Exchange rate systems and issues (5 weeks)</u>	
Exchange rate regimes and international monetary system	Ch. 8
Euro and theory of optimal currency area	Ch. 10
Exchange rate crises <sup>^</sup>	Ch. 9
Financial Globalization: Gain or loss <sup>^</sup>	Ch. 6
<sup>^</sup> Optional topic	

**REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS (e.g. journals, textbooks, website addresses etc.)**

**Required textbook: *International Macroeconomics*, 3<sup>rd</sup> edition, by Feenstra and Taylor, Worth Publishers, 2014.**

Note 1: This course requires a significant amount of reading assignments. 70% comes from the required textbook and 30% from supplementary readings (journal papers, working papers, and magazine articles) provided by the instructor.

Note 2: It is your responsibility to acquire the textbook. We will not upload end-of-the-chapter questions in Moodle due to copyright reason.

**COURSE POLICY** (e.g. plagiarism, academic honesty, attendance, etc.)

1. Lecture PPT files will be posted on Moodle before each class. Please download and bring them to class.
2. Tutorial questions are not assignments; there is no need to turn them in. Assignments will be given to you separately.
3. Tutorial questions will be posted on Moodle one week in advance. Please download and work on them before attending your tutorials. You are expected to go the tutorials fully prepared, ready to discuss the questions, and take note. Note that we will not post "model" answers for essay/discussion questions. As for numerical questions, only brief answer will be posted.
4. Lecture PPTs are by nature brief; they are not designed as substitutes for the textbook or coming to class. It pays to come to class for two reasons.
  - (a) Elaboration and examples will be discussed in class only.
  - (b) You can follow and understand the readings better, especially those not from the required text.
5. Midterm Examination Policies
  - 5.1 No supplementary midterm examination will be given.
  - 5.2 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.
6. Please do check your email regularly for course announcements from the instructor.
7. Do not abuse the convenience of emails.
  - (i) Do not ask about things you are supposed to know (e.g. information in this syllabus or announcement emails of the course).
  - (ii) Minimize emailing your questions to the instructor or the TA them since it is often difficult to answer questions effectively via emails. Please go to see them for consultation during their office hours.
8. Classroom conduct: Be a considerate and mature person. The instructor or 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 practices:
    - 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 exit.
    - Use of mobile phone for any purposes and chatting are strictly prohibited when the class is in session. Remember to switch off your phone before the class starts.
9. 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.**