

The Chinese University of Hong Kong
ECON 2021A&B Basic Macroeconomics
1st term, 2017-18

Lecturer: Woo, Wai Chiu, wcwoo@cuhk.edu.hk, Tel: 39438234, ELB1003.

Consultation: Please pay a visit to my office anytime, or send me an e-mail for appointment.

Teaching assistants (TA): Their office hours will be announced in Blackboard website later

- Fu, Chi Lok, nicholasfucl@cuhk.edu.hk, Tel: 39433536, ELB 1007.
- Zhang, Yiran, zhangyiran@cuhk.edu.hk, Tel: 39438202, ELB 1017.

Teaching time and venues:

- Class A: every Wed 2:30PM - 3:15PM in ELB LT3 and Thu 08:30AM - 10:15AM in ELB LT4
- Class B: every Mon 12:30PM - 1:15PM in ELB LT4 and Wed 3:30PM - 05:15PM in ELB LT3
- The teaching period starts from 4th Sept 2017 and ends on 2nd December 2017

Course description: This course introduces the basic mathematical models that are used by economists to explain short- to long-run performance in the whole economy. We use math no more than simple high-school algebra. However, students wanting to avoid mathematics should take another course "ECON 1010 Perspectives in Economics". Our core concern is to endow students with skills to handle IS/LM, AS/AD and growth models, and the factors underlining them. We are interested in matters related to, but not limited to, business cycles, unemployment, inflation, fiscal policy and monetary policy, and economic growth.

Learning outcomes: Upon successful completion of the course, students should be able to understand some simple causal relationships between macroeconomic events and the reasons why some macroeconomic policies can or cannot be used to deal with some economic problems.

Learning activities:

Lectures:

- You are advised to bring your own papers and take notes during every lecture.
- Attending lectures is not compulsory. Therefore, *your attendance implies that you implicitly agree to comply with a minimal rule of lecture – "keep quiet"* such that students can listen and I can present smoothly.

Textbooks:

- The adopted textbook is: Blanchard, Olivier. *Macroeconomics*. Pearson Education. The assigned chapters in the reading list below will be followed rather closely.
- You do not need to do the end-of-chapters questions of the textbook. Instead, you should do the sample tests, assignments and past exam questions for preparing exams.

Tutorials:

- Tutorials will normally start from the third/fourth teaching week (we will make announcement to confirm this). TAs will go through either sample test questions or assignments in tutorials.
- Attending tutorials is not compulsory. However, *it is my policy that written answers will never be posted on the website or given to students*. If you want to know the answers, you should attend the tutorials for the oral explanations.

e-mails and appointments:

- You are welcome to communicate with me and TAs via e-mail. But please use e-mails only for questions that can be answered via a short text. Long questions requiring long answers can only be handled in face-to-face meetings.
- For making an appointment (through e-mail) with me or TAs for your questions, *it is better that you inform me or TAs of the specific questions that you would like to discuss before you come*.

Course website in Blackboard

- Please visit <https://blackboard.cuhk.edu.hk>.

- Check the “announcement” at least before each class. Copies of sample test, assignment questions, and grades will also be released through the website.
- If you find mistakes in your grade record, you should report to TA promptly. The grade record posted there will be used for calculating your final grade.

Grading:

Assignments (10%):

- There will be five to six assignments. The questions will be posted on the blackboard website after the first few weeks. The due dates will also be posted as we go along.
- You are required to read and sign on a statement about academic honesty before submission of your assignments. (Please browse <http://www.cuhk.edu.hk/policy/academichonesty>.)

Test (40%):

- The test will be held in class of the final week. This means
Class A test on 30th November 2017; Class B test on 29th November 2017.
- There will be no makeup test. If you miss the test for your class due to documented illness or emergency *and* have received my approval not later than 7 days after the test, you will be required to do some other things to compensate (details to be determined later). Approval is not always granted and will depend on your document and/or reasons submitted. Otherwise, you simply receive a zero mark for the test. *I will only accept a medical note either issued by the University Health Service or issued by a doctor registered in the Medical Council of Hong Kong. The original copy, not photocopy, must be shown to me.*

Final exam (50%):

- To be arranged by the University Examination Section during the exam period (6th Dec to 22nd Dec) and not controlled by me. (Don't ask me about the date and venue. I will never know earlier than you.) You should follow the University regulations (including sick leave) about final examination. I have no discretionary power to change it.
- *Exchange students are reminded that early departure is NOT a valid reason for not taking the final and no makeup exam will be given for this reason.*

Course outline and readings:

Topics	Relevant chapters in Blanchard		
	5 th edition	6 th edition	7 th edition
<i>(I) Core topics:</i>			
1. Introduction	Ch. 1,2 & App. 1	Ch. 1,2 & App. 1	Ch. 1,2 & App. 1
<i>A. Short-run models:</i>			
2. Goods markets	Ch. 3	Ch. 3	Ch. 3
3. Financial markets	N.A.	N.A.	N.A.
4. IS-LM analysis	Ch. 5	Ch. 5	Ch. 5
<i>B. Medium-run models:</i>			
5. Labour market	Ch. 6	Ch. 6	Ch. 7
6. Aggregate demand & supply	Ch. 7	Ch. 7	N.A.
7. Phillips curve	Ch. 8	Ch. 8	Ch. 8
<i>C. Long-run models:</i>			
8. Basic growth models	Ch. 10-12	Ch. 10-12	Ch. 10-12
<i>(II) Elective topics:</i>			
9. Economic crisis	Ch. 9	Ch. 9	Ch. 9
10. Expectations	Ch. 14-Ch. 17	Ch. 14-Ch. 17	Ch. 14-Ch. 16
11. Open economy	Ch. 18-Ch. 21	Ch. 18-Ch. 21	Ch. 17-Ch. 20

Remark: Please read lecture note whenever N.A. is mentioned above.

Further reading: Interested students could read Ch. 25 (5th or 6th edition) or Ch. 24 (7th edition) after you complete the whole course. This chapter is not required for examination but you will be more impressed by the theories that you have learned if you know its history of developments.