

The Chinese University of Hong Kong

2016-2017 Second Term

ECON2021 Basic Macroeconomics

Teacher: KO Kwan Wai

Office Hours: Fri, 3:30 p.m.–5:30 p.m. or by appointment (ELB 1002)

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A. Course description

The course aims to discuss the basics of economics at the level of the whole economy - the macroeconomic level (e.g. national income, economic growth, employment/unemployment, and prices & inflation), and the conduct of macroeconomic policy.

B. Learning Outcomes

Upon completing this course, the student will

1. acquire a solid understanding of the core topics in basic macroeconomics,
2. apply models to analyze the macroeconomic issues, and
3. be well equipped to take more economics courses.

C. Readings and Course Materials

The essential text for this course is: *Macroeconomics*, by Olivier Blanchard and David R. Johnson, Pearson Prentice Hall. I strongly recommend that you keep up with the required readings as the lectures progress. Attendance is important because some examinable material covered in lectures may not be in the textbook.

The brief lecture notes (powerpoint slides) will be placed on Blackboard. More powerpoint slides and written materials will be added during the lecture, and these supplementary materials may not be uploaded to Blackboard.

D. Course evaluation

| | | |
|------------------------|-------------|---|
| Assignments | 14% | |
| In-class participation | 2% | |
| Midterm Exam | 36% | Mar 6 (Mon), 6:30pm-8:15 pm, Ho Tim Bldg B6 |
| Final Exam | 48% | |
| Total | 100% | |

There will be no make-up midterm exam or quiz if you miss it for any reasons. The date of the final exam will not be known till late March as it is centrally scheduled by the University. Early departure before the end of the exam period is NOT a valid reason for absence from the final exam.

E. Assignments

Assignments will be given to students after the completion of each chapter. For each of the assignments, a student can choose individual work or pair work. **If you or your partner plagiarizes any one of the assignments, you and your partner will lose 14 marks.** You are required to read and sign on a statement about academic honesty ([http://www.cuhk.edu.hk/policy/academichonesty/Eng.htm_files_\(2013-14\)/p10.htm](http://www.cuhk.edu.hk/policy/academichonesty/Eng.htm_files_(2013-14)/p10.htm).) before

submission of your assignments. Assignments will be graded “Excellent”, “Pass” or “Fail”.

F. Course Outline and Reading

The week numbers are estimates. The number of topics and the readings are subject to change depending on how we proceed. Any changes in this outline will be discussed in class.

| Week | Topics* | Reading** |
|--------------|--|----------------------------------|
| 1 | Introduction | |
| 2-5 | The Short Run <ul style="list-style-type: none">➤ National Income Accounts➤ The Goods Market➤ Financial Markets➤ The IS-LM Model | Ch. 3 Ch. 4 Ch. 5 |
| 6-10 | The Medium Run <ul style="list-style-type: none">➤ The Labor Market➤ The AS-AD Model➤ The Phillips Curve, Unemployment and Inflation➤ The Crisis | Ch. 6 Ch. 7 Ch. 8 Ch. 9 |
| 11-13 | The Long Run <ul style="list-style-type: none">➤ The Facts of Economic Growth➤ Capital Accumulation and Economic Growth | Ch. 10 Ch. 11 |

* It is possible that some topics will be dropped and some topics added. **Readings will be added along the way.

G. eLearning System

This course utilizes Blackboard for course management and posting of relevant materials. You are strongly recommended to download the free app, Blackboard Mobile Learn which allows Blackboard users to access teaching and learning through mobile devices. For details, read the instructions:

http://www.cuhk.edu.hk/eLearning/c_systems/elearn/getstart_s.html#start.

H. Academic honesty

You must not plagiarize and this paper must not be submitted in any other course. The Chinese University of Hong Kong values academic honesty. All students must understand the meaning and consequences of cheating, plagiarism and other academic offence (see <http://www.cuhk.edu.hk/policy/academichonesty/> for more information).

I. Reminder

The detailed course outline will be discussed in the first class. If you miss the first class, you must read both the course outline and the introductory lectures to understand the course requirement.