

The Chinese University of Hong Kong
Basic Macroeconomics
ECON 2021C&D
Spring 2018

Instructor: Dr. Shu Lin, shulin@cuhk.edu.hk, Tel: 39434300, ELB 921
Office Hours: M: 13:00-14:00, W: 15:00-16:00

TAs:

Hanyi Tao, CKB 513, hanyi.tao@link.cuhk.edu.hk

Office Hour: Thu 14:00 – 15:00

Xiaoyu Zhang, CKB 514, xiaoyuzhang@link.cuhk.edu.hk

Office Hour Mon 17:00 – 18:00

Ziyu Zhang, ELB 1016, 1155101409@link.cuhk.edu.hk

Office Hour Tue 14:00 – 15:00

Note: If you would like to contact me or any TA via emails, please use your CUHK email only.

TEACHING TIME AND VENUES

Class C: Mon 11:30am-12:15pm in ELB LT2 and Wed 4:30pm-6:15pm in CKB LT3

Class D: Mon 2:30pm-4:15pm in ELB 405 and Wed 1:30pm-2:15pm in ELB 405

COURSE DESCRIPTION

This is a basic macroeconomics course which is designed to give students a solid understanding of basic modern macroeconomic theories. We shall start from the short-run fluctuation theory and the IS/LM model. After this, we will discuss the medium-run natural rate theory within the AD-AS framework. Next, we will discuss what determines a nation's long-run growth performance. At the end of the course, we may extend our analysis to an open economy and introduce expectations to the framework of our analysis. We shall use algebra and some simple calculus in this course.

TEXT

Macroeconomics, 6th Edition, by Olivier Blanchard and David Johnson.

GRADING POLICY

There will be one midterm during the semester and one comprehensive final exam. The midterm exam will account for 35% of your total grade. Students will take the midterm during regular class time, and the midterm date will be announced in the class. The comprehensive final will account for 50% of your total grade. Five homework assignments will account for the remaining 15% (3% each).

Important: *It is the departmental policy for all the final examinations to be scheduled centrally and no substitute examination would be offered. The final exam date is scheduled by the university. Students should follow the university regulations (including sick leave) about final exam.*

My grading system is transparent. You grade will be assigned completely based on your actual performance. You are welcome to ask about your grade standing at any time. Unless your grade is miscalculated, please do not ask me to change your grade after an exam. I would refuse to do so for any other reason. I can only help you improve your grades before you take the exam.

MAKE-UP POLICY

There will be **NO MAKE-UP** for the midterm given without an official, documented illness or emergency. Anyone missing an exam without an official excuse will receive a zero grade for that exam. Any excusable absence must be documented by a verifiable source and I must be notified **AT LEAST ONE WEEK** prior to the exam. If you are absent from the midterm exam due to an emergency, you must notify me by e-mail **WITHIN 24 HOURS** after the exam, and verifiable documentation is still required. For those with an officially documented excuse, I will reweight your **COMPREHENSIVE** final exam. Students should follow the **university regulations** (including sick leave) for the final exam.

HOMEWORK ASSIGNMENTS

The homework assignments are important to help you understand the materials. If there is a homework assignment due, I expect you to get it to me the time it is due! Not being in class is not an excuse for failing to turn in work. I do **NOT** accept late homework. Each student must turn in his or her own original work. There are no group or team assignments in this course.

CLASS PARTICIPATION

This is your education! While I don't make attendance a mandatory part of this class, I have generally found that students that come to 90% of the classes make A's and students who skip out all the time make D's and F's. Please be adult, be responsible, be respectful and be kind in the classroom. This includes:

1. Come to class on time and stay to the end. If you must leave early, let me know at the beginning of the class and leave quietly. If you get here late, enter quietly.
2. Don't chat during the lectures. This is a distraction to those of us who are engaged in learning.

3. Be respectful of others who may have different views and backgrounds than your own. Do not use derogatory or vulgar language in the classroom.
4. No food in class.
5. **Turn off your cell phones!**

Note: If you miss a lecture, it is your own responsibility to get notes from a classmate. I do not repeat lectures during office hours.

TENTATIVE LECTURE SCHEDULE

Part I. Introduction

1. Some Important Macroeconomic Measures: GDP, Inflation, and Unemployment Rate

Part II. The Short Run

1. The Goods Market
2. Financial Markets
3. Goods and Financial Markets: The IS-LM Model

Part III. The Medium Run

1. The Labor Market
2. Putting All Markets Together: The AS-AD Model
3. The Natural Rate of Unemployment and the Phillips Curve
4. Inflation, Activity, and Nominal Money Growth

Part IV. The Long Run

1. The Facts of Growth
2. Saving, Capital Accumulation, and Output
3. Technological Progress and Growth
4. Technological Progress, Wages, and Unemployment

Part V. The Open Economy

1. Openness in Goods and Financial Markets
2. The Goods Market in an Open Economy
3. Output, the Interest Rate, and the Exchange Rate

Note: I reserve the right to make changes in this syllabus, depending on the rate of progress during the semester.