ECON 5021(B,C) MACROECONOMIC THEORY  
(For MSc Economics)  
2019-2020 Term 1

Course Description

This course introduces the approaches and methods used in modern macroeconomics at an entry graduate level. The main goal of this course is to equip students with the basic economic intuitions and modeling techniques needed for further exploration in macroeconomic research.

This course is formally divided into two parts:

Economic Growth (Professor Chong-Kee Yip): This part emphasizes on the analysis of economic growth. Basic growth theory and growth and development accounting will first be covered. Then new directions on the theories of growth and development are studied. It also provides an introduction of different models of endogenous growth and technological change.

Foundations of Modern Macroeconomics (Wallace Mok): This part of the course aims to provide students with sufficient background knowledge for the understanding of modern macroeconomics, from both the theoretical (New Classical Macroeconomics, Dynamic Programming) and practical (Computational Macroeconomics, Macroeconometrics, and DSGE) perspectives.

Learning Outcomes

1. To understand canonical macroeconomic models and the theories behind such models.
2. To understand the methods used in generating qualitative and quantitative forecasts.
3. To evaluate the effects of macroeconomic policies and shocks on the domestic economy in the short run and their implications on society.
4. To appreciate the driving forces behind growth of the macroeconomy, and their implications for further research.

Instructors/Course Tutors

<table>
<thead>
<tr>
<th>Instructor</th>
<th>Professor C.K. Yip</th>
<th>Wallace K. C. Mok</th>
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<td>Office Hours</td>
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<td>Walk-in consultations welcomed</td>
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<tr>
<th>Tutor</th>
<th>Dr. Hassan Raza</th>
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**Grading**

Your overall performance will be assessed based on:
Midterm (45%)
Final exam (45%): (Time/Venue to be announced)
Class Participation (10%)

No reschedule of the exams will be given except medical or family emergency. If you cannot attend the exam due to medical or family emergency, you need to send an email to the instructor **BEFORE** the exam, and later you will need to provide proofs for your absence. Failing to observe the rule will result in a complete loss of the 100% grade allocated to the exam.

**Course Outline (Tentative and Not Necessary in Order)**

**Economic Growth (Prof C K Yip)**

1. Introduction
2. Growth and Development Accounting
3. The Neoclassical Growth Models
4. The Endogenous Growth Models
5. Models of Endogenous Technical Change: Product Variety and Schumpeterian
6. Stages of Growth

**References**


**Foundations of Modern Macroeconomics (Wallace Mok)**

1. History of Modern Thoughts on Macroeconomics
2. Dynamic Programming
3. Numerical Dynamic Programming
4. New Classical Macroeconomics
5. Dynamic Stochastic General Equilibrium Models
6. Central Bank Independence
7. Elements of Macroeconometrics