

ECON 5040 Macroeconomic Theory II

2nd Semester 2022/2023

1. Class Schedule: Mon 2:30PM - 5:15PM

2. Instructor: Prof. Kang Shi, kangshi@cuhk.edu.hk

3. Course Description:

Part 1 in this course is a graduate-level introduction of monetary economics with an emphasis on macroeconomic elements. The major focus will be on models and theories of money, but relevant empirical literature will be incorporated as well. The topics include both flexible price models and sticky price models with money

4. Learning Outcomes

After taking this course, the students are expected to have a clear model framework to understand monetary economics, and to have model skill to analyse the monetary policy and the mechanism behind the policy.

5. Textbook

C. Walsh, Monetary Theory and Policy (4th Edition), MIT Press, 2017.

Additional References:

M. Woodford, Interest and Prices, Princeton University Press, 2003.

6. Course Evaluation: homework 50% and mid exam 50%

7. Topics

week	topic
1	Empirical Evidence on Money, Prices, and Output.
2	MIU model;
3	CIA model;
4	Lucas Island Model;
5	Limited participation Model.
6	Fischer and Taylor Model vs CK model.

8. Academic Honesty

Attention is drawn to university policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details may be found at

<http://www.cuhk.edu.hk/policy/academichonesty/>.