

The Chinese University of Hong Kong
ECON 2021A Basic Macroeconomics
1st term, 2024-25

Lecturer: WOO, Wai Chiu, wcwoo@cuhk.edu.hk, Tel: 39438234, ELB1003.
Consultation: Please send me an e-mail for fixing a (Zoom) meeting time.

Teaching assistants (TA): TA office (ELB 1017), tel: 39438202.

- Zeng, Yaqi, yqzeng@link.cuhk.edu.hk
- Wang Chendong, email address to be provided by the TA.

Teaching venues and timetables:
Please refer to the CUSIS.

Teaching mode:

1. 100% face-to-face teaching mode: all students should join the classes at the venues, or they will miss the lectures.
2. Notice that no live lectures will be video-recorded in any situations, including sick leave. If you have a good reason to be absent, contact the lecturer to see if some assistance may be given.
3. Exam/test will be also conducted in face-to-face mode.

Course description: This course introduces the basic mathematical models that are used by economists to explain short-run 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 basic 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 certain economic problems.

Learning activities:

Lectures:

- You are advised to read the lecture notes, downloadable from Blackboard, before each class. We don't take attendance for lectures. Lectures will be given only on face-to-face basis and will NOT be video-recorded.

Textbooks:

- A useful textbook is: Olivier Blanchard's (with co-authors) [*Macroeconomics*](#). It will be followed only partially. Read “survival guides in macro” (in Course Content, Blackboard) for how you should use the textbook. But *the end-of-chapters questions are NOT useful. Don't do them.*
- Another reference is Gregory Mankiw's *Macroeconomics*. It is simpler and concise but will not be followed closely. See the Suggested Readings Section below.

Tutorials:

- Tutorials will normally start from the fourth teaching week (we will announce the details later). TAs will go through either quiz questions or assignments in tutorials.
- We don't take attendance for tutorials. However, *the policy of this course is that written answers will never be posted on the website or given to students*. If you want to know the answers, you must attend the tutorials for the verbal explanations. We don't give answers elsewhere.

E-mails and appointments:

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

Course website on Blackboard (<https://blackboard.cuhk.edu.hk>):

- Check all the "announcements" from the first to the latest and at least before each class.
- Lecture materials, quiz (if any), assignment questions, and grades will be released through the website.
- If you find mistakes in your grade record, you should report to TAs within 5 days after the grades have been released or we will not handle your correction requests. The grade record posted on Blackboard will be used for calculating your final grade.

Grading:

Assignments (35%):

- There will be weekly or regular assignments after the first few weeks. The answers will ONLY be given in tutorial classes verbally.
- Read CUHK's [statement about academic honesty](#) before submission of your assignments.

Exam (65%)

- To be arranged by the University Examination Section during the exam period (6th December 2023 – 22nd December 2023) 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. For absentees securing approvals by the University, they will be required to (i) attend another face-to-face exam that is (likely much) longer than the original exam, (ii) finish an individual project in a short period (in one day or two days), and/or (iii) finish extra homework in a short period (in one day or two days).
- Notice that absentees are not allowed to choose only one of the options (i), (ii) or (iii) above. In contrast, normally they are required to take (i)+(ii) or (i)+(iii). The choice is made by the lecturer, not the students. The rationale for having a longer exam in (i) is that we can never use the same exam paper (in the original exam) for absentees. In this case, it is hard to compare the abilities of the absentees with the students attending the original exam. Therefore, we need to collect more data from the absentees for our assessments of their abilities. This also explains why we may also require them to take (i)+(ii) or (i)+(iii), not only a single option.
- All exchange students are supposed to join the centrally arranged exam and are reminded that early departure is NOT a valid reason for not taking the exam and no makeup exam will be given for this reason.

Course outline and suggested readings:

1. Reading lecture notes is compulsory. Reading other suggested materials is sometimes helpful but is optional. Read only lecture notes whenever N.A. is mentioned below.
2. Notations used in lecture presentation follow more closely with Blanchard's. Mankiw sometimes uses a different notation for the same term. You have to figure it out yourselves if you read Mankiw.
3. Blanchard is more difficult while Mankiw is easier and more concise. But our framework is closer to Blanchard's than Mankiw's. Both books may not adopt the same framework as in lectures. Exam and test follow lectures, not the books.

Topics	Relevant chapters in Blanchard			Relevant parts in Mankiw
	5 th edition	6 th edition	7 th edition	
I. Basic concepts:				
1. Introduction	Ch.1,2 & App.1	Ch.1,2 & App.1	Ch.1,2 & App.1	Ch.1,2
II. Core models:				
2. Goods markets	Ch.3	Ch.3	Ch.3	11.1
3. Financial markets	N.A.	N.A.	N.A.	Ch.4
4. IS-LM analysis	Ch.5	Ch.5	Ch.5	11.3, Ch.12
5. Aggregate demand & supply	N.A.	N.A.	N.A.	Ch.7, 14
6. Economic growth	Ch.10-12	Ch.10-12	Ch.10-12	Ch.8-9
III. Extension models:				
7. Goods markets	-	-	Ch.18	N.A.
8. Financial markets	-	-	Ch.5	N.A.
9. IS-LM models	-	-	Ch. 4-4, Ch.6-1,	N.A.
10. Aggregate demand & supply	-	-	Ch.8, p.359	N.A.
IV. Further topics:				
11. Economic crisis	Ch.9	Ch.9	Ch.9	N.A
12. Expectations	Ch.14-17	Ch.14-17	Ch.14-16	N.A.
13. Open economy	Ch.18-21	Ch.18-21	Ch.17-20	N.A.

Further reading: Interested students could read Blanchard's Ch. 25 (5th or 6th edition) or Ch. 24 (7th edition) after you have completed 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.