City University of Hong Kong

Information on a Course offered by Department of Economics and Finance with effect from Semester A in 2019/2020

Part I Course Over	view
Course Title:	Advanced Macroeconomics
Course Code:	EF8072
Course Duration:	1 semester (39 hours)
Credit Units:	3
Level:	R8
Medium of Instruction:	English
Medium of Assessment:	English
Prerequisites: (Course Code and Title)	Nil
Precursors: (Course Code and Title)	Undergraduate level calculus and microeconomics
Equivalent Courses : (Course Code and Title)	Nil
Exclusive Courses: (Course Code and Title)	Nil

Part II **Course Details**

Abstract

This course is to equip students with an in-depth and applied-oriented understanding of how the macro economy works and how government policies can help or hinder it, in the modern paradigm of dynamic general equilibrium analysis. The course will develop student's discovery abilities through various teaching and learning activities, and enable students to:

- (a) apply the dynamic general equilibrium framework for the analysis of macroeconomic variables and their interdependence;
- (b) understand the determinants and mechanism of business cycle fluctuations, long-run economic growth, and inflation; and
- (c) apply the theories to analyze economic performance and policy choices of an economy.

2. **Course Intended Learning Outcomes (CILOs)**

No.	CILOs [#]	Weighting*	Discov	ery-en	riched
		(if	curricu	lum re	lated
		applicable)	learnin	g outco	omes
			(please	tick	where
			approp	riate)	
			A1	A2	A3
1.	Identify and understand the key issues of macroeconomics, including business cycle measurement,	20%	√	√	
	short-run fluctuations and long-run economic growth stylized facts, national income accounting, labor market, economic growth in the light of				
	exogenous and endogenous growth models, money and inflation				
2.	Discover and further develop critical skills in solving and explaining the mechanism behind the general equilibrium and	30%	√		
	dynamic optimization of macroeconomic models.				\checkmark
3.	Explore and acquire the technical knowledge on explaining and analyzing the current events using the macroeconomic models.	20%	√	√	√
4.	Demonstrate a strong ability of making use of the representative agent dynamic general equilibrium framework to analyze and explain the relationships of the key macroeconomic variables in the macroeconomic	30%	V	V	V
	issues related to business cycle fluctuations and				
	long-run growth.				
* <i>If</i>	weighting is assigned to CILOs, they should add up to 100%.	100%		I .	1

weighting is assigned to CILOs, they should add up to 100%. * If

A1:

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Course Syllabus Jun 2017

3. Teaching and Learning Activities (TLAs)

TLA	Brief Description					Hours/week (if
	•	CIL	O N	lo.		applicable)
1	Lectures and in-class discussions will	1	2	3	4	
	cover not only the knowledge about the	V				
	key macroeconomic issues, including	,	,			
	business cycle measurement,					
	short-run fluctuations and long-run					
	economic growth					
	stylized facts, national income					
	accounting, labor market, economic					
	growth in the light of					
	exogenous and endogenous growth					
	models, money and inflation, but also					
	the current economic and financial					
	issues					
2	Problem sets will be provided students					
	during the semester to develop their					
	attitude to discover and innovate.					
3	The final examination contains mostly			V		
	essay questions, which will help students					
	integrate theories and concepts and					
	develop students' problem solving skills.					

4. Assessment Tasks/Activities (ATs)

Assessment Tasks/Activities	CIL	O N			Weighting*	Remarks
	1	2	3	4		
Continuous Assessment: <u>50</u> %						
Assignments						
Problem sets will be provided during the course for students to demonstrate their understanding of the course materials and their ability to solve macroeconomic problems using the models learned in class.		V	V	√	50 %	
Examination: <u>50</u> % (duration: 2	,	,	,	,		
Examination One final exam will be given at the end of the course for students to demonstrate their their ability of solving the general equilibrium macroeconomic models and applying these models to current macroeconomic issues.		√ 	√	√ √	50 %	
* The weightings should add up to 100%.				100%		

5. Assessment Rubrics

Assessment Task	Criterion	Excellent	Good	Fair	Marginal	Failure
		(A+, A, A-)	(B+, B, B-)	(C+, C, C-)	(D)	(F)
Assignments,	Analysis skills	Excellent analysis skills to demonstrate in-depth understanding of the key issues of macroeconomics.	Good analysis skills to demonstrate good understanding of	Acceptable analysis skills to demonstrate adequate understanding of the key issues of macroeconomics.	Marginally acceptable analysis skills to demonstrate some understanding	Poor analysis skills and is barely able to demonstrate an understanding of the key issues of macroeconomics.
Final Exam	Analysis skills	Excellent analysis skills to demonstrate in-depth understanding of the macroeconomic models and using the models to solve current macroeconomics issues.	Good analysis skills to demonstrate good understanding of the macroeconomic models and using the models to solve current macroeconomics issues.	skills to demonstrate adequate understanding of the macroeconomic models and using the	demonstrate some understanding of the macroeconomic models and using the models to solve current macroeconomics	Poor analysis skills and is barely able to demonstrate an understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

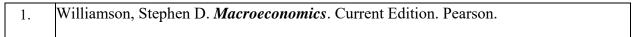
Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

Real business cycle theory; Representative agent model; dynamic general equilibrium; First and second welfare theorems; Social planner approach; Neoclassical growth model; Intertemporal decision; Intertemporal substitution; Ricardian equivalence theorem; Neutrality of money; Cash-in-advance model; Strategic complementarities; Coordination failure model; Friedman rule; Inflation tax; Financial intermediation and banking

2. Reading List

2.1 Compulsory Readings



2.2 Additional Readings

1.	Wickens, Michael (2008) <i>Macroeconomic Theory: A Dynamic General Equilibrium Approach</i> . Princeton.
2.	David Romer. Advanced Macroeconomics. 4th Edition. McGraw-Hill.