ECON2220 Intermediate Macroeconomics
2018-2019

ECON2220A
Instructor: Dr. Heng Chen
Office: KKL 915
Office hours: TBA
E-mail: hengchen@hku.hk
Semester: 1
Class meeting: Friday 2:30pm – 5:20pm, LE5
Teaching assistant: TBA

ECON2220B
Instructor: Dr. Wataru Miyamoto
Office: 1019 KKL
Office hours: TBA
E-mail: wataru@hku.hk
Semester: 2
Class meeting: Monday 11:30am-12:20pm KK202, Thursday 10:30am-12:20pm KK202
Teaching assistant: TBA

ECON2220C
Instructor: Dr. Wataru Miyamoto
Office: 1019 KKL
Office hours: TBA
E-mail: wataru@hku.hk
Semester: 2
Class meeting: Monday 14:30pm-15:20pm KK201, Thursday 13:30pm-15:20pm KK201
Teaching assistant: TBA

ECON2220D
Instructor: Dr. Wataru Miyamoto
Office: 1019 KKL
Office hours: TBA
E-mail: wataru@hku.hk
Semester: 2
Class meeting: Monday 17:30pm-18:20pm KK202, Thursday 16:30pm-18:20pm KK202
Teaching assistant: TBA
**Prerequisites:** ECON1210 Introductory microeconomics and ECON1220 Introductory macroeconomics according to the Regulations, Syllabus & Structure and List of Courses for the BEcon and BEcon&Fin programmes.

The course is primarily for students majoring in economics and as such can be technical at times, involving the use of mathematics including elementary calculus.

**Mutually exclusive:** ECON2211 Microeconomic analysis

**Textbook:** *Macroeconomics* by Andrew B. Abel, Ben S. Bernanke, and Dean Croushore, 9th edition, Pearson Addison Wesley.

**Assessment:**
- Homework: 20%
- Test: 20%
- Examination: 60%

**Course Description:**

Theories of income, employment, and the price level; analysis of secular growth and business fluctuations; introduction to monetary and fiscal policy.

This course is macroeconomics—the study of the entire economy as opposed to individual markets—at an intermediate level. Questions include but are not limited to: What drives long-run economic growth? What causes short-run fluctuations in income and output? How do government policies affect aggregate output, unemployment, and inflation? A variety of models are developed in macroeconomics to analyze such questions. This course introduces students to the basic models for the major macroeconomic questions.

While the topics covered are similar to topics covered in Introductory Macroeconomics, the approach in this class would be quite different to the extent that the theory examined would be firmly grounded on rigorous economic principles as far as possible, an approach that is known as the microeconomic foundation of macroeconomics.

**Course Objectives:**

1. To provide a simple yet rigorous framework to understand real world macroeconomic events.
2. To avoid the fallacies and mistakes often made in the popular press and by your favorite investment gurus on the causes and consequences of long-run growth and short-run fluctuations.
3. To prepare students for more advanced studies in macroeconomics.

**Alignments of faculty’s overall goals and course learning outcomes:**

<table>
<thead>
<tr>
<th>Course Learning Outcomes</th>
<th>Aligned Faculty Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLO1. Be able to interpret real world macroeconomic events intelligently.</td>
<td>Goal# 1, 2, 3, 4, 5</td>
</tr>
</tbody>
</table>
CLO2. Be ready for more advanced studies in macroeconomics.

Goal# 1, 2

CLO3. Be able to distinguish good and bad explanations for particular macroeconomic developments.

Goal# 1, 2, 3, 4

CLO4. Be able to understand and articulate the effects of important macroeconomic policy changes.

Goal# 1, 2, 3, 4, 5

Goal 1 - Acquisition and internalization of knowledge of the programme discipline
Goal 2 - Application and integration of knowledge
Goal 3 - Inculcating professionalism and leadership
Goal 4 - Developing global outlook
Goal 5 - Mastering communication skills

Teaching and Learning Activities (TLA):

<table>
<thead>
<tr>
<th>Activities</th>
<th>Expected contact hours</th>
<th>Study load (% of study)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lecture</td>
<td>36</td>
<td>26</td>
</tr>
<tr>
<td>2. Tutorial</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>3. Problem set</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>4. Readings and revisions</td>
<td>70</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>100</td>
</tr>
</tbody>
</table>

Alignment Among Course Intended Learning Outcome and Teaching and Learning Activities:

<table>
<thead>
<tr>
<th>Learning Outcome</th>
<th>Teaching and learning activity (TLA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CILO1</td>
<td>TLA1, TLA2, TLA3, TLA4</td>
</tr>
<tr>
<td>CILO2</td>
<td>TLA1, TLA2, TLA3, TLA4</td>
</tr>
<tr>
<td>CILO3</td>
<td>TLA1, TLA2, TLA3, TLA4</td>
</tr>
<tr>
<td>CILO4</td>
<td>TLA1, TLA2, TLA3, TLA4</td>
</tr>
</tbody>
</table>
### Assessment Methods

<table>
<thead>
<tr>
<th>Assessment Methods</th>
<th>Brief Description (Optional)</th>
<th>Weight</th>
<th>Aligned Course Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. Homework</td>
<td></td>
<td>20%</td>
<td>CLO1-4</td>
</tr>
<tr>
<td>A2. Test</td>
<td></td>
<td>20%</td>
<td>CLO1-4</td>
</tr>
<tr>
<td>A3. Examination</td>
<td></td>
<td>60%</td>
<td>CLO1-4</td>
</tr>
</tbody>
</table>

#### Standards of Assessment:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Grade Definition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+, A-</td>
<td>High distinction</td>
<td>Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.</td>
</tr>
<tr>
<td>B+, B-, B-</td>
<td>Distinction</td>
<td>Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.</td>
</tr>
<tr>
<td>C+, C, C-</td>
<td>Credit pass</td>
<td>Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.</td>
</tr>
<tr>
<td>D</td>
<td>Pass</td>
<td>Evidence of basic familiarity with the subject.</td>
</tr>
<tr>
<td>F</td>
<td>Fail</td>
<td>Little evidence of basic familiarity with the subject.</td>
</tr>
</tbody>
</table>

**Assessment Rubrics** for Homework, Midterm Exam, and Final Exam are the same as in course grade descriptors.

### Topics (tentative schedules)

1. Review of national income accounting (1 week)                  
   
2. Basic ingredients of macroeconomic theory (3 weeks)            
   a. labor market equilibrium and full-employment output           
   b. consumption, saving, and investment                           
   c. the asset market, money and prices                            

3. Business cycles (4-5 weeks)                                    
   a. business cycle facts                                         
   b. the IS-LM/AD-AS model                                        
   c. classical business cycle theory                              
   d. Keynesian business cycle theory                              

4. Macroeconomic Policy (2-3 weeks)                               
   a. inflation-unemployment tradeoff                              

**Readings**

- chapter 2
- chapter 3
- chapter 4
- chapter 7
- chapter 8
- chapter 9
- chapter 10
- chapter 11
- chapter 12
b. fractional reserve banking and monetary policy  
   chapter 14

c. open economy  
   chapter 13

5. Long-run economic growth (2 weeks)
   a. the Solow growth model and its implications  
      chapter 6

**Academic Conduct:**
The University Regulations on academic dishonesty - behaviors in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another will be strictly enforced. The Board of Examiners may impose a penalty in relation to the seriousness of the offence and may report the candidate to the Senate, where there is *prima facie* evidence of an intention to deceive and where sanctions beyond those imposed by the BoE might be invoked.