

# City University of Hong Kong

## **Information on a Course** **offered by the Department of Economics and Finance** **with effect from Semester A in 2012/2013**

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### **Part I**

**Course Title:** Advanced Macroeconomics

**Course Code:** EF8072

**Course Duration:** 1 semester (39 hours)

**Credit Units:** 3

**Level:** R8

**Medium of Instruction:** English

**Prerequisites:** Nil

**Precursors:** Undergraduate level calculus and microeconomics

**Equivalent Courses:** EF5472 Advanced Macroeconomics

**Exclusive Courses:** *(Course Code and Title)* Nil

## Part II

### Course Aims

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.

### Course Intended Learning Outcomes (CILOs)

*Upon successful completion of this course, students should be able to:*

No.	CILOs	Weighting (if applicable)
1.	discover and understand business cycle measurement, short-run fluctuations and long-run economic growth stylized facts, and national income accounting	10%
2.	discover and understand general equilibrium and dynamic optimization	20%
3.	explain and analyze economic growth in the light of exogenous and endogenous growth models	20%
4.	make use of the representative agent dynamic general equilibrium framework to understand and analyze issues related to business cycle fluctuations and long-run growth	30%
5.	analyze issues related to money, inflation, and banking for understanding the macro economy	20%

### Teaching and Learning Activities (TLAs)

*(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)*

CILO No.	TLAs	Hours/week (if applicable)
CILO 1	Lectures, in-class discussions, assignments, exam	3 hours lecture per week
CILO 2	Lectures, in-class discussions, assignments, exam	3 hours lecture per week
CILO 3	Lectures, in-class discussions, assignments, exam	3 hours lecture per week
CILO 4	Lectures, in-class discussions, assignments, exam	3 hours lecture per week
CILO 5	Lectures, in-class discussions, assignments, exam	3 hours lecture per week

### Assessment Tasks/Activities

*(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)*

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	Remarks
CILO 1 - 5	Exam (one 3-hr examination)	70 %	
CILO 1 - 5	Homework assignments, discussions	30 %	

The final examination contains mostly essay questions. These essay questions will help students integrate theories and concepts and develop students' problem solving skills. This reflects the accomplishments of discovery and innovation.

### **Summary of how DEC is incorporated in Assessment Tasks, and Teaching and Learning Activities (TLAs)**

DEC Elements	Assessment Tasks and TLAs
Develop students' attitude to discover and innovate	Lecture, In-class discussion, assignments
Develop students' abilities to discover and innovate, accomplishments of Discovery and Innovation	Lecture, In-class discussion, assignments
Accomplishments of Discovery and Innovation	Final Examination

### **Grading of Student Achievement:**

Letter Grade	Grade Points	Grade Definitions	Remarks
A+ A A-	4.3 4.0 3.7	Excellent	Strong evidence of firm grasp of the subject knowledge and achieving the stated CILOs. Students have demonstrated very strong overall ability to discover and innovate, and showed very strong evidence of accomplishments of discovery.
B+ B B-	3.3 3.0 2.7	Good	Sufficient evidence of achieving the stated CILOs. Students have demonstrated strong overall ability to discover and innovate, and showed strong evidence of accomplishments of discovery.
C+ C C-	2.3 2.0 1.7	Adequate	Some evidence of achieving the stated CILOs. Students have demonstrated some ability to discover and innovate, and showed satisfactory evidence of accomplishments of discovery.
D	1.0	Marginal	Marginal familiarity with the subject knowledge. Students have demonstrated marginal ability to discover and innovate, and showed marginal evidence of accomplishments of discovery.
F	0.0	Failure	Little evidence of familiarity with the subject knowledge. Students have demonstrated little evidence of ability to discover and innovate, and showed little evidence of accomplishments of discovery.

## **Part III**

### **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.

### **Recommended Reading**

#### **Text(s)**

Williamson, Stephen D. *Macroeconomics*. Current Edition. Pearson.

Wickens, Michael (2008) *Macroeconomic Theory: A Dynamic General Equilibrium Approach*. Princeton.

### **Online Resources**