

**City University of Hong Kong**  
**Course Syllabus**

**offered by Department of Economics and Finance**  
**with effect from Semester A 2018 /19**

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**Part I Course Overview**

**Course Title:** Advanced Macroeconomics

**Course Code:** EF8072

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

**Credit Units:** 3

**Level:** R8

**Proposed Area:**  Arts and Humanities  
(for GE courses only)  Study of Societies, Social and Business Organisations  
 Science and Technology

**Medium of Instruction:** English

**Medium of Assessment:** English

**Prerequisites:** Nil  
(Course Code and Title)

**Precursors:** Undergraduate level calculus and microeconomics  
(Course Code and Title)

**Equivalent Courses:** EF5472 Advanced Macroeconomics  
(Course Code and Title)

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

## Part II Course Details

### 1. 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)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs <sup>#</sup>	Weighting* (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Identify and understand the key issues of macroeconomics, 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	20%	√	√	
2.	Discover and further develop critical skills in solving and explaining the mechanism behind the general equilibrium and dynamic optimization of macroeconomic models.	30%	√	√	√
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 issues related to business cycle fluctuations and long-run growth.	30%	√	√	√
		100%			

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

<sup>#</sup> Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

A1: Attitude

*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.*

### 3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.					Hours/week (if applicable)
		1	2	3	4		
1	Lectures and in-class discussions will cover not only the knowledge about the 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 essay questions, which will help students integrate theories and concepts and develop students' problem solving skills.	√	√	√	√		

### 4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.				Weighting*	Remarks
	1	2	3	4		
Continuous Assessment: <u>50</u> %						
<b>Assignments</b>						
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.	√	√	√	√	50 %	
Examination: <u>50</u> % (duration: 2 hours, if applicable)						
<b>Examination</b>						
One final exam will be given at the end of the course for students to demonstrate their ability of solving the general equilibrium macroeconomic models and applying these models to current macroeconomic issues.	√	√	√	√	50 %	

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*\* The weightings should add up to 100%.*

100%
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**5. Assessment Rubrics**

*(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)*

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (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 the key issues of macroeconomics.	Acceptable analysis skills to demonstrate adequate understanding of the key issues of macroeconomics.	Marginally acceptable analysis skills to demonstrate some understanding of the key issues of macroeconomics.	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.	Acceptable analysis skills to demonstrate adequate understanding of the macroeconomic models and using the models to solve current macroeconomics issues.	Marginally acceptable analysis skills to demonstrate some understanding of the macroeconomic models and using the models to solve current macroeconomics issues.	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**

*(An indication of the key topics of the course.)*

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**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

1.	Williamson, Stephen D. <i>Macroeconomics</i> . Current Edition. Pearson.
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**2.2 Additional Readings**

*(Additional references for students to learn to expand their knowledge about the subject.)*

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