

EF5411: TOPICS IN MACROECONOMICS

Effective Term

Semester B 2024/25

Part I Course Overview

Course Title

Topics in Macroeconomics

Subject Code

EF - Economics and Finance

Course Number

5411

Academic Unit

Economics and Finance (EF)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

P5, P6 - Postgraduate Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

EF5472 Advanced Macroeconomics

Precursors

Nil

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

Abstract

This course provides students with in-depth study on some current topics in the field of macroeconomic theory. In particular, the course will cover a variety of macroeconomic topics that includes consumption theory, investment theory,

imperfect markets (goods market, labor market, and credit market), monetary theory, banking theory, fiscal and monetary theory, learning and its aggregate implications, research and development, intellectual property rights and its aggregate implications, time-consistency issues in macroeconomic contexts. While the extent of coverage on each of the topics may vary somewhat, this course will help students discover and appreciate the diversity in the scope of core macroeconomic issues, and in the approaches to analyzing them.

Objectives

- Study classical consumption and investment models; and the relation to macroeconomic fluctuations.
- Study classical imperfect markets models (goods market, labor market, credit market); and the relation to macroeconomic fluctuations.
- Study classical models of money and banking; and the relation to macroeconomic fluctuations.
- Study models of fiscal and monetary policy; and how policies may stabilize and de-stabilize the aggregate economy.
- Study models of research and development; how new goods are introduced in the market and be priced, intellectual property right protections and their aggregate implications.
- Study the time-consistency issues of agents, firms and the government and their policy implications.

Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if DEC-A1 app.)	DEC-A1	DEC-A2	DEC-A3
1	Demonstrate their understanding of basic consumption and investment models.	10		x	
2	Demonstrate their understanding of variants of the imperfect market models.	10		x	
3	Demonstrate their understanding of variants of the money and banking models.	10		x	
4	Demonstrate their understanding of variants of the endogenous research and development model.	10		x	
5	Demonstrate their understanding of variants of the monetary and fiscal policy model (including those with time-inconsistency problems).	10		x	
6	Apply their theoretical knowledge in some real world macroeconomic issues.	50	x	x	x

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 real-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.

Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	-	1, 2, 3, 4, 5, 6
2	In-class discussions	-	3 hours lecture per week
			1, 2, 3, 4, 5, 6
			3 hours lecture per week

3	Assignments	-	1, 2, 3, 4, 5, 6	3 hours lecture per week
4	Term Project	-	6	3 hours lecture per week

Assessment Tasks / Activities (ATs)

ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Coursework	1, 2, 3, 4, 5, 6	100

Continuous Assessment (%)

100

Assessment Rubrics (AR)**Assessment Task**

Coursework (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Excellent

(A+, A, A-) Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good

(B+, B, B-) Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Fair

(C+, C, C-) Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.

Marginal

(D) Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure

(F) Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Assessment Task

Coursework (for students admitted from Semester A 2022/23 to Summer Term 2024)

Excellent

(A+, A, A-) Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

Good

(B+, B) Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

Marginal

(B-, C+, C) Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure

(F) Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Part III Other Information

Keyword Syllabus

Consumption and investment model, irreversibility, bounded rationality, imperfect markets, monetary and fiscal policy, research and development, patent, intellectual property right protection, time-consistency, etc.

Reading List

Compulsory Readings

	Title
1	Blanchard, O. J. and S. Fischer, 1989, Lectures on Macroeconomics, Cambridge: MIT Press.
2	Dixit, A. and R. Pindyck, 1994, Investment under Uncertainty, Princeton: Princeton University Press.
3	Grossman, G. and E. Helpman, 1991, Innovation and Growth in the Global Economy, Cambridge: MIT Press.
4	Ljungqvist, L. and T. Sargent, 2004, Recursive Macroeconomic Theory, 2nd ed., Cambridge: MIT Press.
5	Taylor, J. B. and M. Woodford, 1999, Handbook of Macroeconomics, vol 1A, 1B, 1C, Amsterdam: North-Holland.
6	Walsh, C., 2003, Monetary Theory and Policy, 2nd ed., Cambridge: MIT Press.
7	Woodford, M., 2003, Interest and Prices: Foundations of a theory of Monetary Policy, Princeton: Princeton University Press.

Additional Readings

	Title
1	Nil