EF8072: ADVANCED MACROECONOMICS

Effective Term
Semester A 2025/26

Part I Course Overview

Course Title
Advanced Macroeconomics

Subject Code
EF - Economics and Finance
Course Number
8072

Academic Unit
Economics and Finance (EF)

College/School
College of Business (CB)

Course Duration
One Semester

Credit Units
3

Level
R8 - Research Degree

Medium of Instruction
English

Medium of Assessment
English

Prerequisites
Nil

Precursors
Undergraduate level calculus and microeconomics

Equivalent Courses
Nil

Exclusive Courses
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:

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

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Explain 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	x	x	
2	Justify and apply critical skills in solving and explaining the mechanism behind the general equilibrium and dynamic optimization of macroeconomic models.	30	x	x	x
3	Demonstrate and apply the technical knowledge in explaining and analyzing the current events using the macroeconomic models.	20	x	x	x
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	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 and in-class discussions	Students will engage in formal lectures which 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.	1, 2, 3	

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?
1	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.	1, 2, 3, 4	50	-	Yes

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

2

Additional Information for ATs

Examination

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.

Assessment Rubrics (AR)

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

Criterion
Analysis skills

Excellent
(A+, A, A-) Excellent analysis skills to demonstrate in-depth understanding of the key issues of macroeconomics.

Good
(B+, B, B-) Good analysis skills to demonstrate good understanding of the key issues of macroeconomics

Fair
(C+, C, C-) Acceptable analysis skills to demonstrate adequate understanding of the key issues of macroeconomics.

Marginal
(D) Marginally acceptable analysis skills to demonstrate some understanding of the key issues of macroeconomics.

Failure
(F) Poor analysis skills and is barely able to demonstrate an understanding of the key issues of macroeconomics.

Assessment Task
Final Exam (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion
Analysis skills

Excellent
(A+, A, A-) Excellent analysis skills to demonstrate in-depth understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Good
(B+, B, B-) Good analysis skills to demonstrate good understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Fair
(C+, C, C-) Acceptable analysis skills to demonstrate adequate understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Marginal
(D) Marginally acceptable analysis skills to demonstrate some understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Failure
(F) Poor analysis skills and is barely able to demonstrate an understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Assessment Task
Assignments (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion
Analysis skills

Excellent

(A+, A, A-) Excellent analysis skills to demonstrate in-depth understanding of the key issues of macroeconomics.

Good

(B+, B) Good analysis skills to demonstrate good understanding of the key issues of macroeconomics

Marginal

(B-, C+, C) Marginally acceptable analysis skills to demonstrate some understanding of the key issues of macroeconomics.

Failure

(F) Poor analysis skills and is barely able to demonstrate an understanding of the key issues of macroeconomics.

Assessment Task

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

Criterion

Analysis skills

Excellent

(A+, A, A-) Excellent analysis skills to demonstrate in-depth understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Good

(B+, B) Good analysis skills to demonstrate good understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Marginal

(B-, C+, C) Marginally acceptable analysis skills to demonstrate some understanding of the macroeconomic models and using the models to solve current macroeconomics issues.

Failure

(F) 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

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

Reading List

Compulsory Readings

	Title
1	Lars Ljungqvist and Thomas J. Sargent (2018) Recursive Macroeconomic Theory

Additional Readings

	Title
1	Wickens, Michael (2008) Macroeconomic Theory: A Dynamic General Equilibrium Approach. Princeton.
2	David Romer. Advanced Macroeconomics. 4th Edition. McGraw-Hill.
3	Thomas J. Sargent (1987) Dynamic Macroeconomic Theory