ECON 5021(B,C) MACROECONOMIC THEORY
(For MSc Economics)
2020-2021 Term 1

Course Description

This course introduces the approaches and methods used in modern macroeconomics at an entry graduate level. The main goal of this course is to equip students with the basic economic intuitions and modeling techniques needed for further exploration in macroeconomic research.

This course is formally divided into two parts:

Economic Growth (Professor Chong-Kee Yip): This part emphasizes on the analysis of economic growth. Basic growth theory and growth and development accounting will first be covered. Then new directions on the theories of growth and development are studied. It also provides an introduction of different models of endogenous growth and technological change.

Foundations of Modern Macroeconomics (Wallace Mok): This part of the course aims to provide students with sufficient background knowledge for the understanding of modern macroeconomics, from both the theoretical (New Classical Macroeconomics, Dynamic Programming) and practical (Computational Macroeconomics, Macroeconometrics, and DSGE) perspectives.

Learning Outcomes

1. To understand canonical macroeconomic models and the theories behind such models.
2. To understand the methods used in generating qualitative and quantitative forecasts.
3. To evaluate the effects of macroeconomic policies and shocks on the domestic economy in the short run and their implications on society.
4. To appreciate the driving forces behind growth of the macroeconomy, and their implications for further research.

Instructors/Course Tutors

Instructor	Professor C.K. Yip		Wallace K. C. Mok
Email	chongkeeyip@cuhk.edu.hk		wallacemok@cuhk.edu.hk
Office	ELB 922		ELB 905
Office Hours	By Appt		Walk-in consultations welcomed/online/email

Tutor	To be announced
Email	
Office	
Office Hours	

Assessment

Your overall performance will be assessed based on:
Midterm (45%): (Time/Venue to be announced)
Final exam (45%): (Time/Venue to be announced)
Class Participation (10%)

Problem Sets will be given, they will not count towards the final grade.
In case face-to-face teaching and assessment is not possible due to the pandemic, an online examination or a take home examination will replace the face-to-face examination.

No reschedule of the exams will be given except medical or family emergency. If you cannot attend the exam due to medical or family emergency, you need to send an email to the instructor **BEFORE** the exam, and later you will need to provide proofs for your absence. Failing to observe the rule will result in a complete loss of the 100% grade allocated to the exam.

Delivery Methods

1. All class meetings are to be conducted online.
2. Back-up plan: face-to-face teaching and assessment may be resumed when the pandemic stabilizes.

Course Outline (Tentative and Not Necessary in Order)

Economic Growth (Prof C K Yip)

1. Introduction
2. Growth and Development Accounting
3. The Neoclassical Growth Models
4. The Endogenous Growth Models
5. Models of Endogenous Technical Change: Product Variety and Schumpeterian
6. Stages of Growth

References

1. Vollrath, D., Jones, C. I., *Introduction to Economic Growth*, 3rd edition, W. W. Norton.
2. Aghion, P. and Howitt, P., *The Economics of Growth*, The MIT Press.
3. Zhu, X., 2012. Understanding China's Growth: Past, Present, and Future, *Journal of Economic Perspectives* 26 (4), 103-124.
4. Caselli, Francesco, Accounting for Income Differences across Countries, in *Handbook of Economic Growth*, Vol. 1A, P. Aghion and S. Durlauf, eds. (Amsterdam: Elsevier, 2005, Chap. 9).
5. Jones, C.I., The Facts of Economic Growth, in *Handbook of Macroeconomics*, Vol. 2A, (Amsterdam: Elsevier, 2016, Chap. 1)

Foundations of Modern Macroeconomics (Wallace Mok)

1. History of Modern Thoughts on Macroeconomics
2. Dynamic Programming

3. Numerical Dynamic Programming
4. New Classical Macroeconomics
5. Dynamic Stochastic General Equilibrium Models
6. Central Bank Independence
7. Elements of Macroeconometrics

Teaching Plan and Mode

ECON5021B Teaching Period : **Every Thursday, 2:30p.m.-5:15p.m., 14 Sep - 12 Dec, 2020**

Lecture	Date	Topic	Teacher
L1	17-Sep-20	History of Modern Thoughts on Macroeconomics, Dynamic Programming	Wallace
L2	24-Sep-20	Dynamic Programming, Numerical Dynamic Programming	Wallace
Public Holiday	1-Oct-20		
L3	8-Oct-20	New Classical Macroeconomics	Wallace
L4	15-Oct-20	DSGE Models	Wallace
L5	22-Oct-20	Central Bank Independence	Wallace
L6	29-Oct-20	Elements of Macroeconometrics	Wallace
L7	5-Nov-20	Introduction, Growth and Development Accounting	Prof. Yip
L8	12-Nov-20	The Neoclassical Growth Models	Prof. Yip
L9	19-Nov-20	The Endogenous Growth Models	Prof. Yip
L10	26-Nov-20	Models of Endogenous Technical Change: Product Variety and Schumpeterian	Prof. Yip
L11	3-Dec-20	Models of Endogenous Technical Change: Product Variety and Schumpeterian	Prof. Yip
L12	10-Dec-20	Stages of Growth	Prof. Yip

ECON5021C Teaching Period : **Every Thursday, 9:30a.m.-12:15p.m., 14 Sep - 12 Dec, 2020**

Lecture	Date	Topic	Teacher
L1	17-Sep-20	History of Modern Thoughts on Macroeconomics, Dynamic Programming	Wallace
L2	24-Sep-20	Dynamic Programming, Numerical Dynamic Programming	Wallace
Public Holiday	1-Oct-20		
L3	8-Oct-20	New Classical Macroeconomics	Wallace
L4	15-Oct-20	DSGE Models	Wallace
L5	22-Oct-20	Central Bank Independence	Wallace
L6	29-Oct-20	Elements of Macroeconometrics	Wallace
L7	5-Nov-20	Introduction, Growth and Development Accounting	Prof. Yip
L8	12-Nov-20	The Neoclassical Growth Models	Prof. Yip
L9	19-Nov-20	The Endogenous Growth Models	Prof. Yip
L10	26-Nov-20	Models of Endogenous Technical Change: Product Variety and Schumpeterian	Prof. Yip
L11	3-Dec-20	Models of Endogenous Technical Change: Product Variety and Schumpeterian	Prof. Yip
L11	10-Dec-20	Stages of Growth	Prof. Yip