

ECON 6820 SPECIAL TOPICS IN ECONOMICS II

The Chinese University of Hong Kong

Fall 2022

Course Information

- Course Instructors
 - Zhen HUO (zhen.huo@yale.edu), ELB 907
 - Guangyu PEI (guangyu.pei@cuhk.edu.hk), ELB 904
- Office Hours: by appointment
- Lectures: Mon 2:30 p.m. - 5:15 p.m., Yasumoto Int'l Acad Park 403

Course Description

This course is designed to cover the advanced topics in Macroeconomics. Macroeconomic implications of accommodating realistic frictions in information, rationality, and expectations are the main focus of the course. Topics to be covered include: relaxing the common-knowledge assumptions of most applied works; allowing coordination to be imperfect; moving away from rational expectations, etc. We will study these frictions with abstract theory as well as concrete applications to business cycles, monetary policy, asset pricing, and financial crisis. Some empirical evidence in favor of such frictions will be discussed. We will study the tools that are useful in solving models with such frictions.

Learning outcomes

After taking the course, graduate students (MPhil/ Ph.D.) should be familiar with the business cycle implications of the type of frictions to be covered. They are expected to obtain the ability to apply the knowledge learned from the course to do independent research about business cycles.

Grading

Two to three assignments (60%) and a presentation (40%).

Course Materials

The course materials consist of a collection of lecture notes, research papers. A detailed reading list for each topic will be provided throughout the semester.

Tentative Schedule with Topics to be Covered (subject to potential changes)

Date	Topic	Instructor
Sep 5	Beauty contest: theory and applications	PGY
Sep 19	RBC revisit and Business cycle accounting	PGY
Sep 26	Kalman filter and its application	HZ
Oct 3	Computation: local and global methods	HZ
Oct 10	SVARs, NK Model, DSGE	PGY
Oct 17	Exotic Shocks: news, uncertainty, and confidence shocks	PGY
Oct 24	Business cycle anatomy	PGY
Oct 31	Survey evidence on expectations	HZ
Nov 7	Ambiguity and ambiguity aversion: theory, evidence, and applications	PGY
Nov 14	Network with incomplete information	HZ
Nov 21	Frequency domain and its application	HZ
Nov 28	Bounded rationality	HZ

Academic Honesty

Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations.

Details may be found at <http://www.cuhk.edu.hk/policy/academichonesty>.