

## **COURSE DESCRIPTIONS 科目簡介**

### **COURSES FOR UNDERGRADUATE PROGRAMMES**

#### **ECO101 Introduction to Economics (3 credits)**

(Restriction(s): Students are not allowed to take both this course and BUS105 Microeconomics for Business or BUS108 Global Business Environment. A student admitted in 2007 or before who has got a grade D or above in an A-Level Economics examination is not allowed to take this course.)

This course introduces students to the basic principles of microeconomics and macroeconomics and shows them how economists study consumer behaviour, firm behaviour, and the performance of the whole economy. It also demonstrates how these principles can be used to analyse public policies and understand society.

#### **ECO108 Economics of Culture and Creativity (3 credits) (GEC308)**

This course applies basic economic and financial theories to study arts, culture and venture capital. It introduces to the students the basics of venture capital (VC) industry and several culture industries. The topics covered by this course include the financing of VC, the corporate venturing experiences, the supply, demand and pricing of the performing and creative arts and cultural heritage, the financing of the arts and cultural activities, and why economic incentives and institutions such as intellectual property right protection are necessary to promote creative activities.

#### **ECO110 Comparative Economic and Social Systems (3 credits) (GEC310)**

This course aims to provide information on principles, organisation, and performance of historical and contemporary economic systems. Topics of discussion include, but not limited to, theory of market capitalism, theories of socialism in its various forms, and the emergence of religion-driven new traditional economies. We will also study a variety of existing economic systems, such as variants of advanced market capitalist and transition and developing economies.

#### **ECO201 Intermediate Microeconomics (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course provides a higher level study in microeconomics. Basic mathematical equations (linear functions) which help students understand microeconomics at the intermediate level will be introduced (during the first lecture). Diagrammatical analysis is emphasised in this course. Lots of practices (hands-on exercises) will be conducted in class tutorials.

#### **ECO202 Intermediate Macroeconomics (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course provides a modern convergence for intermediate macroeconomics both in the short run and in the long run. It analyses the issues on economic fluctuations and examines how the macroeconomic policies can be used to stabilise the economy such as reducing unemployment and controlling inflation. It also investigates the theory and empirics of economic growth. Further, this course offers an introduction to open-economy macroeconomics and the microeconomic foundation of macroeconomics.

**ECO203 Fundamental Econometric Methods (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment; plus (a) SSC111 Introduction to Quantitative Methods in Social Sciences, or (b) SSC116 Introduction to Research Methods in Social Sciences, or (c) BUS102 Statistics for Business)

This course introduces students to the art and science of econometric modelling as applied to economics, business, and all other branches in social sciences. Students could easily apply it to many other areas such as the natural sciences. They are going to learn how to develop, statistically test, and apply econometric models. This course emphasises intuitive understanding of econometrics, as opposed to a more abstract and theoretical approach. Hands-on experience with econometric computer software is an important part of this course.

**ECO204 Public Expenditure and Cost Benefit Analysis (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment; plus (a) SSC111 Introduction to Quantitative Methods in Social Sciences, or (b) SSC116 Introduction to Research Methods in Social Sciences, or (c) BUS102 Statistics for Business)

This course provides students with an understanding of (a) theoretical foundations of public expenditure and cost benefit analysis; (b) the conceptualisation and measurement of project/policy/programme costs and benefits; (c) the techniques of conducting cost benefit analysis, and (d) public policy analysis in Hong Kong.

**ECO205 Economics of Taxation and Transfer (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment; plus (a) SSC111 Introduction to Quantitative Methods in Social Sciences, or (b) SSC116 Introduction to Research Methods in Social Sciences, or (c) BUS102 Statistics for Business)

This course introduces students to the economics of public policy and taxation. Students will explore the meaning and the limitations of economic efficiency as a criterion for public policy. Various sources of market failures will be explored at the beginning of the course. Students will also study how governments raise revenues, how taxes affect the economy, and how budget balance may be affected by business cycles, monetary policy, and politics.

**ECO207 International Political Economy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

The International Political Economy offers a multidisciplinary approach to the study of modern society. International Political Economy encourages the integrated analysis of economic problems and issues, using tools and methods of political science, economics, and sociology as informed by an understanding of history and tempered by appreciation of the differences in economic and political systems in the world.

**ECO208 Principles of Public Policy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course outlines the fundamentals of public policy design and analysis. The analytical framework follows the economic approach and is based on the postulate of rationality. A basic premise is that policies should be grounded on cost and benefit comparisons if they are to improve social welfare. The roles of information cost, risks, and the constraint of human nature in public policy design are fully recognised.

### **ECO209 The Hong Kong Economy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course introduces to the students of both the state and the running of the Hong Kong economy. It also attempts to show what are the major problems facing Hong Kong's economy and how Hong Kong should deal with these problems.

### **ECO210 History of Economic Thought (3 credits)**

**(GEC334)**

(Restriction(s): BSocSc Students of the Contemporary Economic and Public Policy (CEPP) Stream or Economics Discipline Concentration are not allowed to take this course for GE credits.)

This course introduces students to the principal ideas of leading thinkers about economic problems. Students will acquire an understanding of economics as a system of thought and its transformation from "dismal science" and "political economy" to modern economics. It also investigates how economic thinking relates to broader philosophical and political thought, including the issues of economic justice and democracy.

### **ECO211 Chinese Economy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

China today is in a process of remarkable economic and social transformation. In this course, the theoretical economic analysis will be combined with empirical data and case studies. Students will be offered an analytical framework for understanding the emergence of China as a super economic power in the past three decades as well as its major challenges lying ahead. We examine around twelve topics that together provide a comprehensive coverage of the Chinese economy.

### **ECO212 Regional Development in China (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course offers a conceptual framework for examining the spatial distribution of economic activity and to apply the tools learned in the course to the analyses of regional development in China. We will begin with the introduction to basic theories of regional economics. Following the study of these theories, we will investigate changing patterns and underlying factors of regional inequality and regional policy in China since the founding of the PRC.

### **ECO213 China, Hong Kong, and the World Economy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

The course covers the major aspects of China's integration with the global economy,

including its assimilation into the world trading system and practice, readjustment in import and export structure, and intake of foreign capital and investment. A special reference is given to the role played by HKSAR as a facilitator. The impact of China's entry into the world economy on both domestic economic growth and the other developing, as well as industrial economies is also discussed in detail.

### **ECO214 Globalisation and Economic Integration (3 credits)**

(Prerequisite(s): a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course aims to familiarise students with the cause, pattern, and nature of the globalisation of production of goods and services, which is taking the form of greater division of labour, increasing specialisation, greater trade and capital flows, and keener international competition. Against this trend, however, is the emergence of trade blocs and regional economic entities. This course will look at the interaction between these two trends. Students will also have the chance to examine the roles of WTO, the World Bank, the IMF, and the impacts of globalisation on financial stability through the study of the East Asian Financial Crisis and the recent Financial Tsunami.

### **ECO215 Comparative Studies of International Financial Centres (3 Credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

International financial centres (IFCs) are an important subject of widespread topical interest. This course focuses on key concepts, historical developments and the nature of international financial services. It provides rigorous theoretical treatments of the subject and comprehensive empirical investigation of the development of IFCs. The characteristics of international financial centres in Europe, North America, and Asia, such as London, New York, Tokyo, Hong Kong and Singapore, will be covered and compared. The course also covers the linkages among and the comparative advantages of various IFCs.

### **ECO216 Behavioural Economics (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course will introduce basic concepts and theories in behavioural economics. We observe that individuals and markets may behave *irrationally*, sometimes for extended periods of time. We will use psychology to explain these behaviours which are not consistent with the classical economic rational models. We will also apply theories to explain so-called *anomalies*, apparent mis-pricings and inefficiencies, which we observe in the financial markets.

### **ECO217 Money and Banking (3 Credits)**

(Recoded from ECO301)

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business, and BUS108 Global Business Environment)

This course focuses on the roles and functions of money and banking in the economy. It provides students with the knowledge to better understand the working and the regulation of the banking industry as well as the conduct of monetary policy. Students will learn how money is multiplied and supplied through the banking system. Examples from Hong Kong,

Chinese Mainland, and the United States will be used to illustrate the concepts introduced and the principles taught.

**ECO218 Economic Development (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course provides students with an overview of development economics, which concerns economic behaviour of low-income countries. During the past two decades, as these countries accumulated experience in development policies and new analytical tools and data became available, development economics has gone through a redirection. Among the new understandings are that (i) standard economic theory can explain much about low income countries, (ii) the private sector and markets play critical roles in economic development, and (iii) development policy must promote human capital formation. In this course, case studies are introduced along with recent economic theories. The topics covered include growth theory, stabilisation policy, poverty, human resources, agricultural development, industrialisation, and foreign trade and investment.

**ECO228 Finance and Politics: Public Interests and Private Manipulation (GEB228) (3 credits)**

This course introduces students to the nature of financial institutions, corporate ownership structure and corporate governance through case studies, anecdotal evidence and academic papers. Students will be expected to develop practical perspectives on financial policies and government regulations, and be able to articulate implications for future financial development and practices in both Hong Kong and worldwide.

**ECO305 International Trade (3 credits)**

(Prerequisite(s): ECO101 Introduction to Economics or its equivalence)

(Restriction: Students are not allowed to take this course if they have enrolled in ECO324 course.)

This course equips students with a basic knowledge of the principles and tools of trade theory and policy. After completing the course, students should be able to demonstrate a good understanding of the determination of trade, the growth of trade and the formation and the effects of commercial policy.

**ECO306 International Finance (3 credits)**

(Prerequisite(s): ECO101 Introduction to Economics or its equivalence)

(Restriction(s): Students are not allowed to take this course if they have enrolled in ECO324 course. Besides, students are not allowed to take both this course and FIN352 International Financial Management.)

Today's financial markets are truly global in nature. This course attempts to cover the practical issues of international finance and an overview of the current literature with only elementary mathematics as a prerequisite. The practical questions include, but are not limit to, where to borrow and invest internationally, what different types of international bonds and stocks can be used to raise capital, how exchange rates affect cash flows, what can be done to avoid foreign exchange exposure and risk, and the general financial management problems of doing business in the global environment.

**ECO311 Economics of the Family (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

Based on economic theories, this course offers a way of looking at family that produces useful insights. It provides an introduction to the economic analysis of such socioeconomic behaviours as human capital investment, fertility, marriage, divorce, bequests, and old age support. This course is inter-discipline in nature, and is highly relevant to the issues of contemporary public and social policies.

**ECO312 Health Policy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course provides analysis of health policy issues with particular reference to Hong Kong and China, but will also draw from the health reform debate overseas to shed light on the health policy problem in general. Students will use the tools of economic analysis in learning how health is the joint output of private and public sector input and lifestyle, and how different approaches in financing and designing health care delivery will affect efficiency, distribution, and the quality of health care.

**ECO313 Housing, Transportation, and Regional Development (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course looks at key urban policy issues critically. In particular, students will study the alternative housing policies which are intended to meet policy goals such as ensuring all citizens have a minimum standard of housing, efficient utilisation of the existing housing stock, and affordable housing for all. The course will also explore the question of what constitutes an optimal mix of transportation modes, and study how different transportation services should be priced. The interaction between transportation and land use and land development will also be analysed.

**ECO314 Environmental Economics (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course uses the economic approach to analyse the rationale for and the design of environmental policy. The market-oriented approach to environmental policy making will be contrasted with the regulation-planning approach, and an attempt will be made to synthesise the two approaches. This course requires a basic knowledge of microeconomics.

**ECO315 Labour Market and Education Policy (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course provides students with an introduction to the economics of education. It analyses the roles of government policies in the areas of education, with reference to the current policy debate in Hong Kong on these matters.

**ECO316 Industrial Organisation and Competition Policy (in 2007-08 or before)/  
Industrial Economics and Competition Policy (from 2008-09) (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

Industrial organisation studies how industries are organised and how they function: What determines the number of firms that enter a given industry? How do firms compete with one another? What business practices might be anti-competitive? What are the roles of public policy in promoting economic efficiency?

### **ECO317 Economics of Law and Public Order (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

This course introduces students to the importance of law and public order in the smooth running of human society: politically, socially, as well as economically. Respect for the law and public order is basic to the running of the democratic process, the harmonious relations between different socio-economic groups, and the willingness of investors to invest in projects that produce returns over the long haul, and crucial to the division of labour and specialisation. The course will also cover aspects of the law which are important to the maintenance of public order and examine the social and economic costs they involve.

### **ECO320 Game Theory and Strategic Behaviour (3 credits)**

Game theory studies conflicts and cooperation between intelligent rational decision-makers. It offers insights of fundamental importance for scholars in all branches of social sciences. This course covers the basic theories of modern game theory, including simultaneous-move and sequential games. Applications to such fields as economics, business, political science, sociology, international relations, etc. will be covered.

### **ECO321 FDI and Multinationals in China (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

An important part of the economic reform process in China has been the promotion of foreign direct investment (FDI) inflow. After more than three decades of economic reform, China has become one of the world's most important destinations for FDI. In this course, we will begin with the introduction to basic theories of FDI. Then we will trace the development of China's economic policy regarding FDI and the resulting changes in FDI inflow. We will also discuss the impact of FDI and multinationals on China's economic development.

### **ECO323 Financial Economics (3 credits)**

(Prerequisite(s): (a) ECO101 Introduction to Economics, or (b) Grade D or above in AL Economics, or (c) BUS105 Microeconomics for Business and BUS108 Global Business Environment)

The purpose of this course is to provide a rigorous, hands-on introduction to the science (some would say art) of investing in marketable securities in global financial markets. It begins by discussing the contemporary investment environment including institutional aspects, and market efficiency. The course then moves on to modern investment processes, including in-depth discussion of asset valuation, portfolio theory and applications, linear factor models and applications, dynamic asset allocation strategies, portfolio performance measurement, and the use of derivatives.