For reference only (Tentative), will be updated in AY2026/27

Lingnan University
Department of Economics

Course Title	Introduction to Macroeconomics
Course Code	ECO2105
Recommended Study Year	1
No. of Credits/Term	3
Mode of Tuition	Lecture-tutorial
Class Contact Hours	2-hour lecture per week 1-hour tutorial per week
Category	Foundation required course in Economics/GEB Major
Discipline	Economics
Prerequisite(s)	NIL
Co-requisite(s)	NIL
Exclusion(s)	Students who have completed ECO3202 Intermediate Macroeconomics are not allowed to register for this course
Exemption Requirement(s)	NIL

Brief Course Description

This course provides a foundation to the study of the economy in its entirety. The course uses issues from current events to illustrate fundamental theories of macroeconomics. Topics to be explored include: the determinants of long-run economic growth; the long- and short-run effects of taxes, budget deficits, and other government policies on the national economy; the causes of inflation, unemployment, and business cycles (recessions and depressions); the role of government fiscal and monetary policy in smoothing out those cycles; the role of financial frictions in exacerbating business cycle fluctuations; and the workings of exchange rates and international finance.

Aims

Students in this course will receive an introduction to the study of economies reliant on decentralized markets such as Hong Kong. Students will learn how to use the following foundational tools to analyze an economy: supply and demand; the concepts of inflation, unemployment, and national output and how these variables behave over time; saving and investment, including the roles of bond and equity markets in the national economy; money and banking; and the use of models of the macro economy to understand what causes movements in the national economic output and the role of governments in controlling these movements.

Learning Outcomes

On completion of the course, students will be able to:

1. Define Gross Domestic Product (GDP) and Gross National Product (GNP) for any member of the general public, regardless of that person's prior experience with microeconomics;
2. Explain the advantages and disadvantages of using GDP/GNP per capita as a criterion for evaluating an economy's status as developed or developing and to illustrate how increases in GDP/GNP per capita need not imply an increase in overall welfare;
3. Discuss the importance of deflating GDP/GNP in order to understand the confounding effect of price changes on changes in national welfare in simple, real-world applications;
4. Differentiate between fiscal and monetary policy as government tools for changing both GDP/GNP using simple, real-world examples to illustrate how these policy tools can move an economy into different phases of the business cycle; and

5. Describe how the exchange rate between the monies of two different countries works to translate the value of one country's output in terms of the other country's output, affecting quantities of imports and exports as well as flows of capital.

Indicative Content

1) Measuring National Output and National Income
2) Unemployment, Inflation, and Long-Run Growth
3) Aggregate Expenditure and Equilibrium Output
4) The Government and Fiscal Policy
5) The Money Supply and the Federal Reserve System
6) Money Demand and the Equilibrium Interest Rate
7) The Determination of aggregate output, the Price Level, and the Interest Rate
8) Policy Effects and Cost Effects in the AS/AD Model
9) Open- Economy Macroeconomics: The Balance of Payments and Exchange Rates

Content to be studied will include a selection of the following topics:

10) The Labor Market In the Macroeconomy
11) Financial Crises, Stabilization, and Deficits
12) Household and Firm Behavior in the Macroeconomy: A Further Look
13) Long-Run Growth
14) Alternative Views in Macroeconomics

Teaching Method

The class shall consist of a weekly 2-hour lecture and a weekly 1-hour tutorial.

Measurement of Learning Outcomes

1. Intermittent tests and quizzes will ensure that students learn new topics as they are introduced and to alert the instructor to areas requiring additional coverage for student benefit. (LO 1-5)
2. Work in tutorials may include discussions of recent events or presentations of problem sets to provide targeted assistance to students on specific concepts. (LO 1-5)
3. A Final Examination will ensure that students can demonstrate mastery over the concepts covered in the course. (LO 1-5)

Assessment

Continuous Assessment (class participation, attendance and assignments) 35%
Midterm Exam 25%
Final Exam 40%

Required/Essential Readings

Baumol, W.J. & Blinder, A.S., *Macroeconomics : principles and policy* Latest Edition, New York: Cengage
Case, K.E., Fair, R.C. & Oster, S.M., *Principles of macroeconomics* Latest Edition, Boston: Pearson.
CORE, *The Economy*, available online at https://www.core-econ.org/the-economy/

Recommended/Supplementary Readings

Hamermesh, D.S., 2014. *Economics is everywhere* Fifth Edition, New York: Worth

Important Notes:

(1) Students are expected to spend a total of 9 hours (i.e. 3 hours of class contact and 6 hours of personal study) per week to achieve the course learning outcomes.
(2) Students shall be aware of the University regulations about dishonest practice in course work, tests, and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations and Course Work. In particular, plagiarism, being a kind of dishonest practice, is "the presentation of another person's work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student's own work". Students are required to strictly follow university regulations governing academic integrity and honesty.
(3) Students are required to submit writing assignment(s) using Turnitin.
(4) To enhance students' understanding of plagiarism, a mini-course "Online Tutorial on Plagiarism Awareness" is available on http://pla.ln.edu.hk/.
(5) Students are required to fill in a mid-term survey and the end of course CTLE survey.
(6) Students must adhere to the University's guidelines and practices when using Generative Artificial Intelligence (AI) tools. The official documents "Guidelines for Using GAI Tools at Lingnan University" and "Best Practices for Ethical and Responsible Use of GAI Tools in Course Assessments" can be found here: https://www.ln.edu.hk/tlc/generative-artificial-intelligence/gai-guidelines-best-practices.

Grading Rubrics Class Participation and Attendance

Criteria	**Excellent**	**Good**	**Acceptable**	**Poor**

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	9-10	6-8	3-5	0-2
Class attendance and participation	Class attendance is regular and the student speaks up regularly and enthusiastically	Class attendance is regular and the student speaks up now and then	Class attendance is quite regular but the student participates only when asked by the instructor	Class attendance is erratic and participation is nil or almost nil
Articulateness	Expression of ideas or opinions were consistently factually accurate, logical and clear	Expression of ideas or opinions were generally factually accurate, logical and clear. Lapses were rare and minor in nature.	Expression of ideas or opinions were generally factually accurate, logical and clear, but with a number of minor lapses	Ideas or opinions were not expressed logically, and were characterized by significant factual inaccuracies and lack of clarity

Assessment Rubrics for Assignments

Criteria	Excellent	Proficient	Meets Minimum Standard	Below Standard
Accuracy (50%)	41-50	31-40	21-30	0-20
	Appropriate concepts are all applied correctly	Most concepts are applied correctly	Some concepts are applied at too general a level or misapplied but the central ones are applied correctly and specifically	Most concepts are applied at too general a level or misapplied
Comprehension of all the relevant concepts. (40%)	31-40	21-30	11-20	0-10
	Demonstrates a deep insightful level of understanding	Demonstrates a good surface level of understanding	Demonstrates a fair level of surface understanding	Demonstrates an inadequate level of understanding
Extent to which ideas are expressed logically, accurately and clearly. (10%)	9-10	7-8	4-6	0-3
	Expression of ideas is consistently accurate, logical and clear	Expression of ideas is generally accurate, logical and clear with some minor lapses	Expression of ideas is comprehensible but there are some major lapses	Largely incomprehensible with some major inconsistencies and errors

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Grading Rubric for the Midterm and Final Examinations

	100-76%	75-51%	50-26%	25-1%	0%
Analysis	The response has a clear thesis that is analytically interesting and creative, plausible; the analysis has impressive depth	The response meets most of the criteria listed in the column to the left, but is lacking in one or more of them-or accomplishes all of them at a slightly lower level than excellence	The response has an identifiable thesis, but it may be a bit mundane or uninteresting, and not particularly creative; the analysis is superficial	The response has an identifiable thesis, but it is not analytically interesting, plausible; there is little analysis	The response lacks any clear thesis and little to no analysis.
Documentation	The response provides ample evidence in support of its thesis, with no extraneous detail; evidence is well-connected to the thesis; documentation is clear.	The response provides significant amounts of supporting evidence, well-connected to the thesis; some detail is extraneous; documentation is mostly clear.	The response provides supporting evidence, but less than is needed to make the argument; there is a significant amount of extraneous detail; documentation is incomplete or unclear.	The details of the response relate very thinly to a main argument; the evidence is poorly documented.	The response provides little to no evidence in support of a main argument; most evidence provided is undocumented.
Organization	All writing relates to the thesis in a clear manner; individual paragraphs have a clear focus; there are clear transitions between paragraphs or ideas when appropriate; the order in which the ideas are presented makes sense.	Nearly all writing relates to the thesis in a clear manner; all or most individual paragraphs have a clear focus; there are generally clear transitions between paragraphs or ideas; the order in which the ideas are presented makes sense.	Most writing relates to the thesis in a clear manner, most individual paragraphs have a clear focus, and the order in which the ideas are presented generally makes sense; but there are often unclear transitions between ideas.	Most writing relates to the thesis in a clear manner, most individual paragraphs have a clear focus; it is often unclear why ideas are presented in their particular order, and there are often unclear transitions between ideas.	The response is extremely disorganized to the point that the order in which ideas are presented appears virtually random.
Language skills	The writing displays excellent English language skills, with few mistakes, and is easily understandable	The writing contains several fairly minor errors, but the writing is clear and understandable	The writing contains several minor errors and/ or a few major ones; the writing is mostly clear but may be difficult to understand in places.	The writing contains numerous writing errors that are serious enough that the paper is very difficult to understand	The writing contains an unacceptably large number of writing errors, major or minor, to the point of making it difficult or impossible to understand.