

# **Macroeconomics**

## **Course Description**

This is a compact course in macroeconomics designed for the study abroad program. The main objective of the course is to provide participants with an understanding of macroeconomic theory. The course covers economic growth theory and macroeconomic theory about financial market and labor market. Moreover, basic macroeconomic theories are applied for understanding different facts about economic growth and business fluctuation, especially Chinese economy.

## **Course Objectives**

Students will be expected to:

1. Understand the key concepts and methods on macroeconomics;
2. Use the basic tools of macroeconomics to understand the reform and development of Chinese economy.

## **Conduct of the course**

The main part of each class will be facilitator's introduction. Students are required to actively participate in group discussions and express their views and opinions.

Homework will be assigned before each class.

The teaching will be mainly based on facilitator's PPT and supplementary reading materials.

## **Assessment**

Students' final grade will be evaluated according to their performance in each module.

Part I. Attendance (30%)

Part II. Final Exam (70%)

## **List of References**

David Romer: Advanced Macroeconomics.

Jean Bennisassy: Macroeconomics Theory.

## **Contents and Schedule**

## Part I. Economic Growth - (8 Weeks)

- Solow Model: theory and empirics.  
*Growth accounting and Source of economic growth of China*
- Misallocation.  
*Economic Reform and Resource Reallocation in China.*
- Ramsey Model and OLG Model  
*Chinese pension system and future challenge'*
- Innovation and economic growth  
*Innovation and technology adoption in China*

## Part II. Financial Market and Macroeconomics (4 Weeks)

- Financial crisis and its implication for macroeconomics
- Chinese financial market and global allocation Puzzle.
- Overview of financial market and monetary policy framework in China.

## Part III. Labor Market and Macroeconomics (4 Weeks)

- Search and Matching theory and efficiency wage theory.  
Unemployment facts and interpretation
- Income inequality and macroeconomics  
Income inequality in China and developed economy.