

**ECON 7160 Advanced Macroeconomics (4,4,0)**

The course introduces students to important topics in macroeconomics, including growth theories, business cycles, New Keynesian theories, and recent development in macroeconomics. Both theoretical and empirical aspects are the focus of the course. While the theoretical models offer qualitative insights into the working of the economy, the emphasis of the empirical techniques allow students to estimate the economic models and enable them to make use insights for the most current economic studies into the effect of government policy on the economy. With the building of knowledge on both qualitative and quantitative macroeconomics, students are equipped with tools needed for understanding and conducting macroeconomic policy analysis.

**ECON 7170 Applied Econometric Analysis (4,4,0)**

This course aims at covering graduate level applied econometric techniques to quantitatively solve empirical economic problems. In addition to the classical linear regression model, hypothesis testing and problems of non-spherical disturbances, more advanced topics are also considered. Students will be trained to formulate econometric models and to identify the causal relationships between economic variables using computer software. The emphasis is upon the interpretation and testing of results from different econometric estimation procedures. Students will also be provided with practical experience of applying these techniques to quantitatively solve empirical problems that arise in economics and business.

**ECON 7210 International Trade (3,3,0)**

This course aims to provide an up-to-date and understandable analytical framework for illustrating current events of international trade. Most of the time will be devoted to understand the classical as well as modern theories of international trade, trade policy and international economic integration. Topics in international economics with an emphasis on current issues like globalization, financial crisis, regionalism, will then be studied.

**ECON 7220 International Finance (3,3,0)**

This course provides students with an understanding of international finance concepts and applied techniques to international financial management and investment. This course focus on the foreign exchange markets and international capital markets, and understand how international firms make financial decisions of foreign investment, and measure foreign exchange risk in the present global financial environment. The course is organized in three parts: (1) introduction of international financial environment and the important international macroeconomic concepts; (2) understanding the foreign exchange rate market, the exchange rate determinations with its theoretical analysis and forecasting, and the foreign exchange risk and its management; (3) focus on international portfolio investment strategies and the exchange risk management.

**ECON 7230 Monetary Economics (3,3,0)**

This course discusses the impacts of money demand and money supply, and therefore monetary policies on output, employment, and inflation. The role of central bank and its interaction with firms and workers, more specifically, how it should carry out monetary policies in face of the rational expectations of these economic agents in the private sector, will be evaluated. In addition, under the rapid globalization, impacts of one country's monetary policy on exchange rates and other country's economies will also be studied. After taking this course, students are expected to be able to explain different phenomenon of the macro-economy and make forecasts about the basic macro-economic trends.

**ECON 7240 Economic Development and Growth (3,3,0)**

The aim of this course is to examine the driving forces and mechanisms of economic development and growth. We will explain and discuss economic models and perspectives on development and growth, go through the empirical findings on the issues and assess the difference and growth potentials across countries.

**ECON 7250 Financial Economics (3,3,0)**

This course provides an introduction to financial economics. The topics include an introduction of capital markets, consumption and investment, capital budgeting, the theory of choice, valuation of securities, portfolio analysis, bond analysis, options and futures markets, International Financial Management, and Efficient Capital Markets. It will also provide students with knowledge and skills in applications of modern finance theory to risk management and other issues in economics and financial markets. Applications of the theory are emphasized throughout the course.

**ECON 7260 Economic Analysis of the Firm (3,3,0)**

This course introduces theories that explain the sizes, scopes, internal structures, and the kinds of contractual relations that characterize business firms. Issues addressed include: why firms exist, how firms are established, and what contributions firms make to the economy. The course provides innovative models of economic equilibrium that endogenously determine the structure and function of economic institutions. The entrepreneur as a decision maker is analysed in details. In addition to the role of a producer, the firm as an intermediary and as a market maker is also discussed.

**ECON 7270 Topics in Microeconomics (3,3,0)**

This course aims at bringing current development of microeconomics to students. The topics may vary from year to year, depending on the research and teaching interest of instructors. Those topics are usually not covered or covered only briefly in ECON 7150. Some examples of topics are: theory of incentives, theory of organizations, mechanism design, modelling multi-person strategic behaviour, general equilibrium, modelling multi-output production, etc. Three to five topics will be covered thoroughly in one semester.

**ECON 7280 Topics in Macroeconomics (3,3,0)**

This course educates students in knowing the latest development of macroeconomics. The topics may vary from year to year, depending on the research and teaching interest of instructors. Some examples of topics are (i) how macroeconomic theories can be applied to understand the complex functioning of a modern market economy, (2) why fluctuations in aggregate economic activity and sometimes crisis may occur in an economy and (iii) how government policies may be used to stabilize the functioning of an economy. Current macroeconomics issues will be discussed, for example, the causes and remedies of (1) the global financial crisis in 2008, (2) the European sovereign debt crisis and (3) the long-term stagnation in Japan.

**ECON 7310 Economic Institutions in China (3,3,0)**

This course studies key economic institutions of China that have emerged in the course of transition from a planned to a market economy. These institutions are not necessarily the first-best choices from the perspective of conventional theories of market economy, but they might overcome some typical institutional weaknesses of transitional economies. They include the double-track pricing and allocation system, local government ownership of firms, fiscal decentralization and yardstick competition among different regional jurisdictions, etc. Drawing on the major contributions in the economics literature, the costs and benefits of adopting these institutions by China will be analysed.

**ECON 7320 Public Finance and Monetary Economics in China (3,3,0)**

This course aims at providing an in-depth understanding of the functions and the performance of China's fiscal, monetary and exchange rate systems, as well as their impact on the economy. After explaining major trends in those changing regimes, their developments in the post-1994 and post-2001 periods are analysed, using theoretical models and econometric techniques to tackle critical issues.

Regarding the fiscal system, the course emphasizes topics such as central-local intergovernmental relations, the transition from contracts to tax assignment, and the impact of patterns of

taxation and public expenditure on macroeconomic developments and income distribution, amongst others. Sterilization operations for a semi-open monetary regime and increasing flexibility of the exchange rate form the foci for discussion of the challenges facing the People's Bank of China, on top of the reforms of monetary tools and capital account liberalization.

The reactions and effectiveness of China's fiscal-monetary mix in alleviating the adverse consequences of the global economic crisis which began to unfold from the fourth quarter of 2008 are to be reviewed. The course ends by an investigation of the evolving financial relations between the Mainland and Hong Kong.

#### **ECON 7330 Foreign Economic Policies of China (3,3,0)**

This course discusses the foreign economic relations of China with the rest of the world and the foreign economic policies of China. It explores how and why China integrates its economy with the world economy, major conflicts with other countries, and how some of the conflicts were resolved or minimized. Topics covered include China's trade with other countries, accession to the World Trade Organization, currency policy, and free trade areas. Also covered are the relations between economic growth and foreign economic policies and the relations between domestic policies and foreign policies. Students can learn from this course not only how a developing country like China can benefit from foreign trade but also the major conflicts China has with other countries.

#### **ECON 7340 Productivity Analysis of the Chinese Economy (3,3,0)**

This course is an interdisciplinary field of economics, management science, mathematics and econometrics. It aims at applying advanced production theory and quantitative techniques for performance gauging in multi-input, multi-output organizations. The productivity of individual enterprises as well as the whole economy is the focus. Students will obtain hands-on experience such as evaluating the efficiency losses of firms in various industries and the welfare losses of regional fragmentations. The productivity growth of the Chinese economy before and after the economic reform will also be studied.

#### **ECON 7350 Corporate Finance and Governance in China (3,3,0)**

This course is designed to introduce the financial and corporate governance environment in China. The first part explains the models of corporate finance and governance. The second part provides theoretical as well as empirical framework for the analysis of corporate finance and governance in China. Upon completion of the course, students are expected to have basic understanding on the characteristics of corporate finance and corporate governance in China; and to be able to evaluate policies and potential challenges on the financial markets and corporate governance in China.

#### **ECON 7410 Development and Policies of Hong Kong's Major Economic Sectors (3,3,0)**

The course aims at providing students with a theoretical and systematic understanding of the latest development and public policies of Hong Kong's major economic sectors. These activities would include banking and finance, property and construction, industry, telecommunications, aviation and logistics, tourism, public utilities and the government sector. Policy reactions under the recent financial crisis and economic downturn will be analysed. Their impacts on Hong Kong's economic restructuring will be examined. Focus would also be placed on Hong Kong's economic integration with the Pearl River Delta and relevant policy issues. Special emphasis will be given to the usage of empirical analysis to evaluate the impact of economic policies.

#### **ECON 7420 Applied Time Series Analysis and Forecasting (3,3,0)**

This course aims to introduce methods for time-series analysis, modelling and forecasting with computing application, and interpretation. The major time series models such as time trend,

cycle and seasonal modelling, smoothing, stationary and unit roots tests, causality analysis, distributed lag model, Box-Jenkins ARIMA model, dummy dependent model, vector autoregression (VAR) and error correction (ER) model, ARCH and GARCH model, etc. The course shows how to apply these techniques to real-life data and to develop forecasting models for economic, business and finance applications. Computing is an integral part of this course.

#### **ECON 7430 Applied Cost-Benefit Analysis (3,3,0)**

This course educates students in applied cost-benefit analysis of: (a) private investment, (b) public investment, (c) business strategy, and (d) government policy, with a primary focus of applying economic reasoning and writing/presentation skills to deliver practical information for decision making in a complicated business world.

#### **ECON 7440 Applied Economics Research Paper (3,0,0)**

This course aims at training students to apply the knowledge and skills developed in the taught courses of the programme to put together an original and analytical piece of research. It is a complement of classroom learning and seeks to encourage critical thinking and informed judgement. Each student of this course must write a research paper independently under the supervision of a faculty member. The research paper would normally entail the use of empirical methods such as data analysis or econometrics.

This course is offered in the summer term only and open to students with GPA not less than 3.5 in the first semester. During the second semester, students who plan to take this course choose a research topic and produce a proposal. An academic supervisor is then allocated on the basis of each chosen topic.

#### **ECON 7450 Energy Economics (3,3,0)**

This course educates students in (1) interactions among energy, economy, and environment; (2) energy market organization, regulation and deregulation; (3) energy demand, pricing, investment, supply and costs; (4) energy efficiency, conservation and demand management; and (5) risk management, energy security, emissions control, and renewable energy development.

#### **ECON 7460 Banking and Capital Markets (3,3,0)**

Investment banks and credit rating agencies play a very important role in the global financial markets and commercial real estate sector. The increasing publicity associated with these two industries, and the vast career opportunities offered by them, call for a need to more thoroughly understand what investment banks and credit agencies do and the function they perform in the financial markets and real estate sector.

#### **ECON 7470 Environmental Economics (3,3,0)**

Environmental economics is the study of how the economy affects the environment (the recession has caused a dip in greenhouse gas emissions), how the environment affects the economy (temperature increases adversely affects the skiing industry), and the appropriate way to regulate economic activities so as to achieve an optimal balance between environmental and economic goals (which is the best way to regulate carbon emissions, a cap-and-trade scheme or an emission tax?).

#### **ECON 7480 Industrial Organization (3,3,0)**

This course provides an in-depth analysis of the theory of Industrial Organization. Students will be introduced to the theory of the firm, including the determinants of market structure, firms' pricing decision under different market structure and its related welfare implications and other business strategic decisions (product differentiation, advertising, research and development). Government regulations and competition policy will also be discussed.

#### **ECON 7490 Business Economics Field Study (3,3,0)**

This course aims at providing student overseas exposure to understanding and examining economic or/and business environment. The site visit at the chosen location(s) lasts up