

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