



北京大學  
汇丰商学院

Peking University HSBC Business School

## Advanced Macro II Module 3, 2025-2026

### Course Information

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**Instructor: Jiao Shi**

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Office Hour: 3:30PM-4:30PM Tuesday and Thursday, or by appointment

**Teaching Assistant: Chai, Yuheng**

Email: N/A

TA Q&A time: TBA

**Classes:**

Lectures: 8:30-10:30 Monday & Thursday

Venue: TBA

## 1. Course Description

### 1.1 Context

Course overview: This is the second course in macroeconomics in the Ph.D. fundamental courses series. Following advanced macroeconomics I, in this class, we continue to cover a set of tools and theories that are the core of modern macroeconomics.

The class intends to take a solid and “one step at a time” approach in conveying a set of core theories. In the class, it is important to fully understand an idea and be familiar with its mathematical expression. Lecture time is supposed to be but a small portion of the total study time students devote to the class. Before- and after-class readings and exercises are essential to help students consolidate concepts and ideas covered in class. Materials in this class form the foundation to modern macroeconomics. To quote Professor Sargent, the creator and designer of the Ph.D. program: “(Successful programs teach) small amount of core material that made it easy for students to understand other work based on those foundations.”

Prerequisites: Advanced Marco I from the Ph.D. fundamental course sequence

### 1.2 Textbooks and Reading Materials

Main textbook: Ljungqvist, L., & Sargent, T. J. (2018). *Recursive macroeconomic theory*. MIT press.

Secondary text: Galí, Jordi. “Monetary policy, inflation, and the business cycle: an introduction to the new Keynesian framework and its applications”. Princeton University Press, 2015.

Supplemental materials will be distributed along the lectures

## 2. Learning Outcomes

### 2.1 Intended Learning Outcomes

<b>Learning Goals</b>	<b>Objectives</b>	<b>Assessment (YES with details or NO)</b>
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	NO
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	YES – evaluated by exam and homework
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	NO
	2.2. Students will be able to apply leadership theories and related skills.	NO
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	NO
	3.2. Our students will practice ethics in the duration of the program.	NO
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	NO
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	YES – evaluated by exam and homework
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	YES – evaluated by exam and homework
	5.3. Our students will demonstrate competency in critical thinking.	YES – evaluated by exam and homework

## **2.2 Course specific objectives**

## **2.3 Assessment/Grading Details**

Grade in this course is determined by the following standard:

Class attendance and participation: 10%

Homework: 20%

Midterm exam: 30%

Final exam: 40%

## **2.4 Academic Honesty and Plagiarism**

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or

communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

AI tools requirements: Using AI tools to complete assignments or assessments without the approval of the course instructor will be regarded as an act of academic dishonesty. Depending on the severity of the situation, penalties will be implemented in accordance with the provisions of the Peking University Graduate Student Handbook.

For this course, you are encouraged to use AI tools to assist your study. Generative AI can be very efficient at finding and summarizing information. Please also be aware that at this stage, AI tools are imperfect. At the graduate-study level, you should be able to achieve a better and deeper understanding of key concepts and mechanisms than a typical AI can. Feel free to use it as a test of your understanding!

For more information of plagiarism, please refer to *PHBS Student Handbook*.

### 3. Topics, Teaching and Assessment Schedule

Rough Time	Class contents (Required readings refer to the textbook Ljungqvist and Sargent (2018))
Week 1	Chapter 10 Permanent income hypothesis and Ricardian Equivalence Required readings: Ch10
Week 2 - 3	Chapter 11 Fiscal Policies in a Growth Model Required readings: Ch11, 11.1-11.3, 11.5-11.12
Week 3 - 4	Chapter 13 Asset Pricing Theory Required readings: 13.1-13.3, 13.5-13.7, 13.9-13.10
Week 5 - 6	<b>Midterm exam</b> Nominal rigidities and monetary policy
Week 7	Nominal rigidities and monetary policy
Week 8	Chapter 18 Incomplete Markets Models
Week 9	Chapter 18 Incomplete Markets Models

Final Exam: TBA

