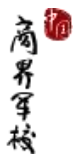




PHBS

北京大学汇丰商学院



Course Code Advanced Macroeconomics 2025-2026 Second Module

Course Information

Instructor: Chunyang Wang

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Office hours: Tuesday/Friday 10:30-12:30 AM

TA: TBA

Office Hours: TBA

Phone:

Email:

Classes:

Lectures: Tuesday/Friday 8:30-10:20 AM

Venue: PHBS building TBA

Course Website:

No.

1. Course Description

1.1 Context

Course overview:

This course is about Growth and Development with application to China. It introduces basic macroeconomic tools used for future analysis. The course adds much finance material to satisfy the finance students audience. It mainly covers David Romer's Advanced Macroeconomics textbook, with China and world application content added. This textbook is famous for its growth theory materials, which takes a large part of the book. China is a superstar growth engine for 30 years, which is the largest economic transformation in human history. Growth and development are no doubt the important issues facing China. At the end of course, we combine all the growth models to study in depth an influential and recent paper "Growing Like China".

Prerequisites:

Mankiw, Gregory "Principle of Macroeconomics" 5th Edition

High Math (at least know how to solve maximization problem, such as Lagrange method)

1.2 Textbooks and Reading Materials

David Romer's Advanced Macroeconomics 4th edition

Class notes

Various papers downloadable.

Others suggested reading:

Robinson, J.A. and Acemoglu, D., 2012. *Why nations fail: The origins of power, prosperity and poverty* (pp. 45-47). London: Profile.

Jones, C., 2002. *introduction To Economic Growth 2nd Edition*. New York: WW Norton & Company.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (YES with details or NO)
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.	Y
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.	Y
	2.2. Students will be able to apply leadership theories and related skills.	N
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.	N
	3.2. Our students will practice ethics in the duration of the program.	Y
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes, global economy will be introduced.
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, fundamental macro-theories.
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes, macro-setting is basic.
	5.3. Our students will demonstrate competency in critical thinking.	Yes, one major goal of this course.

2.2 Course specific objectives

2.3 Assessment/Grading Details

Homework (15%): Half of final exam will be from homework. Late homework is never accepted.

Final Exam (65%): Finals from previous years will be distributed to you.

Presentation (20%): Presentation for reality macro issues. At the end of the course, each group

has three students. You can message TA to be grouped by her. Each group has 15 mins. Most papers are data and reality. You MUST omit the theory math part as it cannot be taken in a short time.

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.

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

3. Topics, Teaching and Assessment Schedule

Teaching Schedule (T is short for teaching. * denotes the paper I will cover in Class):

T1. The Solow Model

*David Romer, *Advanced Macroeconomics*, fourth edition, Chapter 1.

*Boyreau-Debray, Genevieve, and Shang-Jin Wei. "Pitfalls of a state-dominated financial system: The case of China". No. w11214. national bureau of Economic research, 2005.

Robert M. Solow, "A Contribution to the Theory of Economic Growth." *Quarterly Journal of Economics* 70 (February 1956), 65–94.

Robert E. Lucas, Jr., "Why Doesn't Capital Flow from Rich to Poor Countries?" *American Economic Review* 80 (May 1990), 92–96.

T2. The Ramsey-Cass-Koopmans Model and OLG

- *David Romer, *Advanced Macroeconomics*, fourth edition, Chapter 2.
- * Bai, Chong-En, Chang-Tai Hsieh, and Yingyi Qian. "The Return to Capital in China." *Brookings Papers on Economic Activity* 2 (2006): 61.
- Robert J. Barro and Xavier Sala-i-Martin, *Economic Growth*, second edition (Cambridge: MIT Press, 2004), Chapter 2 and Appendix A.3 (at end of book).
- Maurice Obstfeld, "Dynamic Optimization in Continuous-Time Economic Models (A Guide for the Perplexed)," unpublished paper, U.C. Berkeley, April 1992. <http://www.econ.berkeley.edu/~obstfeld/ftp/perplexed/cts4a.pdf>

T3. Endogenous Growth Theory

- *David Romer, *Advanced Macroeconomics*, fourth edition, Chapter 3.
- Paul M. Romer, "Endogenous Technical Change," *Journal of Political Economy* 98 (October 1990, Part 2), S71–S102.
<http://www.jstor.org/stable/2937632>
- Michael Kremer, "Population Growth and Technical Change: One Million B.C. to 1990," *Quarterly Journal of Economics* 108 (August 1993), 681–716.
<http://www.jstor.org/stable/2118405>
- Oded Galor, *Unified Growth Theory* (Princeton: Princeton University Press, 2011)
- Robert J. Gordon, "Is U.S. Economic Growth Over? Faltering Innovation Confronts the Six Headwinds," NBER Working Paper No. 18315 (August 2012).
<http://www.nber.org/papers/w18315>

T4. Cross-Country Income Differences

- * David Romer, *Advanced Macroeconomics*, fourth edition, Chapter 4.
- * Hoshi, Takeo, and Anil Kashyap. "Why did Japan stop growing?." NIRA Report (2011).
- * Glaeser E L, La Porta R, Lopez-de-Silanes F, et al. "Do institutions cause growth?" [J]. *Journal of economic Growth*, 2004, 9(3): 271-303.
- Robert E. Hall, and Charles I. Jones, "Why Do Some Countries Produce So Much More Output per Worker than Others?" *Quarterly Journal of Economics* 114 (February 1999), 83–116.
<http://www.jstor.org/stable/2586948>
- Peter J. Klenow and Andrés Rodríguez-Clare, "The Neoclassical Revival in Growth Economics: Has It Gone Too Far?" *NBER Macroeconomics Annual* 12 (1997), 73–103. <http://www.jstor.org/stable/3585220>
- Chang-Tai Hsieh and Peter J. Klenow, "Relative Prices and Relative Prosperity." *American Economic Review* 97 (June 2007), 562–585.
<http://www.jstor.org/stable/30035012>
- Daron Acemoglu, "Why Not a Political Coase Theorem? Social Conflict, Commitment and Politics." *Journal of Comparative Economics* 31 (December 2003), 620–652.

T5. China

*** Song, Zheng, Kjetil Storesletten, and Fabrizio Zilibotti. 2011. "Growing Like China." *American Economic Review*, 101(1): 196-233.**

(Key paper in this course. I will spend three-day courses on it. Combined all the four chapter growth models).

Xu, Chenggang (2011), The fundamental institutions of China's reforms and development, *Journal of Economic Literature* 49(4), 1076-1151.

Qian, Yingyi, and Gérard Roland, 1998 "Federalism and the Soft Budget Constraint" *American Economic Review*, December 1998, 88(5), pp. 1143-1162. (Comment: China's success from government decentralization)

Zhu X. Understanding China's Growth: Past, Present, and Future (Digest Summary)[J]. *Journal of Economic Perspectives*, 2012, 26(4): 103-124.

Hongbin Li, Li-An Zhou, Political turnover and economic performance: the incentive role of personnel control in China, *Journal of Public Economics*, Volume 89, Issues 9–10, September 2005, Pages 1743-1762

Hsieh C T, Song Z M. Grasp the Large, Let Go of the Small: The Transformation of the State Sector in China[J]. NBER Working Paper, 2015 (w21006).

Bai, Hsieh, and Zheng Song 2014. "Crony Capitalism with Chinese Characteristics", working paper.

Kjetil Storesletten and Fabrizio Zilibotti "China's Great Convergence and Beyond." *Annual Review of Economics*, 6, 333 - 362, 2014.

Other papers for updated economic and finance realities

P1. Allen, Franklin, Jun "Q.J." Qian, Susan Chenyu Shan and Julie Lei Zhu (2014), "The Best Performing Economy with the Worst Performing Market: Explaining the Poor Performance of the Chinese Stock Market," Preliminary Draft, China Academy of Financial Research and University of Pennsylvania

P2. Deng, Yongheng, Randall Morck, Jing Wu, and Bernard Yeung. 2011. "Monetary and Fiscal Stimuli, Ownership Structure, and China's Housing Market." *NBER Working Paper* No.16871.

P3. Rogoff, K.S. and Yang, Y., 2020. *Peak China housing* (No. w27697). National Bureau of Economic Research.

P4. Brandt, Loren; Litwack, John; Mileva, Elitza; Wang, Luhang; Zhang, Yifan; Zhao, Luan. 2020. "China's Productivity Slowdown and Future Growth Potential." Policy Research *Working Paper*; No. 9298. World Bank, Washington, DC.

- P5. Rafael La Porta & Florencio Lopez-de-Silanes & Andrei Shleifer & Robert W. Vishny, 1998. "Law and Finance," *Journal of Political Economy*, University of Chicago Press, vol. 106(6), pages 1113-1155, December.
- P6. HSIEH, C.T. and SONG, Z.M., 2015. Grasp the Large, Let Go of the Small: The Transformation of the State Sector in China. *Brookings Papers on Economic Activity*, pp.295-346.
- P7. Thomas Philippon and Ariell Reshef. 2012 Wages and Human Capital in the U.S. Financial Industry: 1909-2006, *Quarterly Journal of Economics*, November, (lead article)
- P8. Bai, C.E., Hsieh, C.T. and Song, Z.M., 2016. The Long Shadow of China's Fiscal Expansion. *Brookings Papers on Economic Activity*.
- P9. Amiti, Mary, Stephen J. Redding, and David E. Weinstein. 2019. "The Impact of the 2018 Tariffs on Prices and Welfare." *Journal of Economic Perspectives*, 33 (4): 187-210.
- P10. Young, Alwyn. "A tale of two cities: factor accumulation and technical change in Hong Kong and Singapore." *NBER Macroeconomics Annual* 1992, Volume 7. MIT press, 1992. 13-64.
- P11. Ben S. Bernanke, Carol Bertaut, Laurie Pounder DeMarco, and Steven Kamin 2011, "International Capital Flows and the Returns to Safe Assets in the United States, 2003- 2007" Board of Governors of the Federal Reserve System International Finance Discussion Papers Number 1014
- P12. Mohr, C. and Trebesch, C., 2025. Geoeconomics. *Annual Review of Economics*, 17.
- P13. Chen, W., Chen, X., Chang-Tai, H. and Song, Z., 2019. A Forensic Examination of China's National Accounts. *Brookings Papers on Economic Activity*, p.77.
- P14. Ramirez, C.D., 2014. Is corruption in China "out of control"? A comparison with the US in historical perspective. *Journal of Comparative Economics*, 42(1), pp.76-91.
- P15. Huang, Yasheng, and Yi Qian. "Is Entrepreneurship Missing in Shanghai?." *International Differences in Entrepreneurship*. University of Chicago Press, 2010. 321-346.
- P16. Raghuram G. Rajan, 2005. "Has financial development made the world riskier?," *Proceedings, Federal Reserve Bank of Kansas City*, issue Aug, pages 313-369
- P17. Li Yanan 2011. "China's political business cycle". PhD dissertation, IIES Sweden http://www-test.iies.su.se/polopoly_fs/1.62392.1322834665!/menu/standard/file/JMP_YinanLi.pdf

Guidelines for Presentation

1. Every presentation should have a Key Sentence, which should appear in one of the first three slides. The purpose is for audience not to be lost, and with this key sentence, they can better understand your motivation slides and others.
2. Try to talk clear and efficient. Higher x leads to higher y is efficient. The paper talks about x and y is not.
3. Do not show too many words in one slide (unless you think your English does not help audience understand. People cannot read so much in such short time, and they cannot concentrate to listen to you when they are reading.
4. Asymmetry. You have already known the materials very well. Presenters often ignore the fact that for most of time, the audience has no idea of the topic. So it's better for you to think in the position of audience when you present.
5. If there is any figure, please first tell the audience what x and y axis indicate, especially the y axis.
6. Tables and Figures are most important elements as they are neat and simple to show.