

COURSE CONTENT

Course Coordinator	Wu Guiying Laura
Course Code	HE2015
Course Title	Macroeconomic Issues and Policies in Contemporary China
Pre-requisites	HE2002 Intermediate Macroeconomics
No of AUs	3
Contact Hours	39 hours (2 hours lecture and 1 hour tutorial per week)

Course Aims

This course is designed as an up-to-date course which will equip you with the appropriate analytical framework and updated knowledge on the Chinese economy. The course will cover China's latest macroeconomic issues which include:

- The exchange rate system reform since 2005;
- The banking reform in 2005-06, and its lessons to other emerging economies;
- Trade, foreign investment, balance of payment and foreign reserve management policies since 2006;
- China's stock market since 2005: the building up of bubble in 2006-07, the gradual squeezing of bubble in 2008, the consolidation period in 2009-13, the rebound in 2014, and another bubble and the bursting in 2015-16;
- China's property inflation: microeconomic pains, macroeconomic risk, its solution and the effectiveness of the curbing measures;
- China's macroeconomy since 2008: Impacts of the global financial tsunami, the ultra expansionary fiscal and monetary policies in 2008-10, impacts of the European Debt Crisis, the slowdown of the China's economic growth, the stock market bubble in 2015, the central bank's exchange rate policy mistake in 2014-17
- The latest property bubble in Asia, the risk of another Asian financial crisis and its potential impacts on China;
- The recommended long-term exchange rate system for China.

Intended Learning Outcomes (ILO)

By the end of this course, you (as a student) would be able to:

1. Identify and analyze the latest macroeconomic issues in China;
2. Analyze and explain the exchange rate reform and macroeconomic policies in China;
3. Analyze the banking reform in China and apply it to other countries;
4. Describe and analyze the foreign trade, FDI and balance of payment in China;
5. Analyze and explain the stock market bubbles in China using appropriate theoretical economics framework; and
6. Apply the appropriate analytic framework to analyze the property markets in China and Asia

Course Content

1. Macroeconomic Conditions and Debates before the Reform;
2. Transitional and Medium-term Designs of the Reform;
3. Supplementary Measures that could help the Reform and Increase China's Immunity and Resilience against Future Crises;
4. The Transitional Reform in 2005 and the Market Response;
5. Further Proposals on the Supplementary Measures;
6. The Second Stage Transitional Reform and Potential Choices for the Long Term System;
7. China's Foreign Reserves, Trade Surplus, Outward Investments and Overseas Assets;
8. China's Stock Market Bubble and Lessons from the Bubble Squeezing Strategy;
9. China's Property Inflation: Microeconomic Pains, Macroeconomic Risk and Its Solution;
10. Fiscal and Monetary Policies During the Global Financial Tsunami;
11. From the Global Financial Tsunami to the Asset Bubbles in Asia; and
12. Latest Events and Challenges.

Assessment (includes both continuous and summative assessment)

Continuous Assessment	: <u>100%</u>
Total	: <u>100%</u>

Reading and References

1. Yip P.S.L. (2011), China's Exchange Rate System Reform and Macroeconomic Policies: Lessons for Macroeconomic Policy Management, Scientific World: Singapore.
2. Yip P.S.L. (2016), China's Exchange Rate System Reform: Two Potential Mistakes and the Recommended Long-Term System, *Singapore Economic Review*, Vol. 61, Issue 2, 1640025, pp.1-40.

Course Instructors

Instructor	Office Location	Email
Wu Guiying Laura	SHHK 04-70	guiying.wu@ntu.edu.sg

Planned Weekly Schedule

Teaching Week	Topic	Course LO	Readings/ Activities
1	Macroeconomic Conditions and Debates before the Reform	1	Yip (2011), Ch 1
2	Transitional and Medium-term Designs of the Reform	1, 2	Yip (2011), Ch 2
3	Supplementary Measures that could help the Reform and Increase China's Immunity and Resilience against Future Crises	1, 3	Yip (2011), Ch 3
4	The Transitional Reform in 2005	1, 2	Yip (2011), Ch 4

	and the Market Response		
5	Further Proposals on the Supplementary Measures	1, 2, 3	Yip (2011), Ch 5
6	The Second Stage Transitional Reform and Potential Choices for the Long Term System	1, 2	Yip (2011), Ch 6
7	China's Foreign Reserves, Trade Surplus, Outward Investments and Overseas Assets	1, 4	Yip (2011), Ch 7
Recess			
8	China's Stock Market Bubble and Lessons from the Bubble Squeezing Strategy	1, 5	Yip (2011), Ch 8
9	China's Property Inflation: Microeconomic Pains, Macroeconomic Risk and Its Solution	1, 6	Yip (2011), Ch 9-10
10	Fiscal and Monetary Policies During the Global Financial Tsunami	1	Yip (2011), Ch 11
11	From the Global Financial Tsunami to the Asset Bubbles in Asia	1, 6	Yip (2011), Ch 12
12	Latest Events and Challenges	1, 2	Yip (2016)
13	Revision	1-6	