

**The Hong Kong University of Science and Technology (Guangzhou)**

**UFUG 1801 Principles of Economics (Fall 2025) L01**

**Credits:** 3

**Pre-/co-requisites:** None

**Lecture:** Mon 13:30-16:20, W1-102

**Tutorial:** Fri 13:30-14:20, W1-102

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**Office Hours:** Tue 14:30-15:30, W4-512

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### **Course Description**

This course introduces students to economics. It consists of three modules: basics of economics (Module1), microeconomics (Module 2) and macroeconomics (Module 3). Module1 covers the basic principles of economics, supply, demand, market equilibrium, welfare, market failure, and the rationale for government intervention. Module 2 covers the optimal decision of consumers and firms, market power and different market structures, Labor markets and inequality, etc. Module 3 includes measuring aggregate economic activities, consumption and investment, money and financial intermediaries, aggregate demand, aggregate supply and business cycles, macroeconomic stability policy, and economic growth.

### **Intended Learning Outcomes (ILOs)**

By the end of this course, students should be able to:

1. Understand the logic of economic reasoning.
2. Understand theories of markets and market equilibrium.
3. Apply basic economic analysis to explain and predict economic outcomes.
4. Have a deeper understanding of economic issues, events, and policies.
5. Critically evaluate discussions of economic issues.

### **Assessment and Grading**

This course will be assessed using criterion-referencing and grades will not be assigned using a curve. Detailed rubrics for each assignment are provided below, outlining the criteria used for evaluation.

## Assessments:

| Assessment Task      | Contribution to Overall Course grade (%) | Due date |
|----------------------|--|----------|
| Course participation | 10%                                      | NA       |
| Written assignment   | 30%                                      | TBA*     |
| Exams                | 60%                                      | TBA      |

\* Assessment marks for individual assessed tasks will be released within two weeks of the due date.

## Mapping of Course ILOs to Assessment Tasks

| Assessed Task        | Mapped ILOs                       | Explanation  |
|----------------------|-----------------------------------|--|
| Course participation | ILO-1, ILO-2, ILO-5               | Course participation assesses students' understanding of the logic of economic reasoning and theories of markets and market equilibrium (ILO-1, ILO-2) and abilities to critically evaluate discussions of economic issues (ILO-5).  |
| Written assignment   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 | Written assignments assess students' understanding of the logic of economic reasoning, theories of markets and market equilibrium (ILO-1, ILO-2), and abilities to apply basic economic analysis to explain and predict economic outcomes (ILO-3), understand economic issues, events, and policies (ILO-4), and critically evaluate discussions of economic issues (ILO-5).                       |
| Exams                | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 | Two module-based exams and the final exam assess students' understanding of the logic of economic reasoning, theories of markets and market equilibrium (ILO-1, ILO-2), and abilities to apply basic economic analysis to explain and predict economic outcomes (ILO-3), understand economic issues, events, and policies (ILO-4), and critically evaluate discussions of economic issues (ILO-5). |

## Grading Rubrics

For course participation:

- If for any reason you are unable to attend the class, you must seek approval of absence from me directly BEFORE the class. Your request should be supported by valid documents, such as medical certificate issued by a registered medical practitioner.
- Each unapproved absence (including the exams) will result in a loss of 5% in your overall course grade.
- In-class Q&A will be used to check your attendance.

For written assignments

- You will be given 5 problem sets as written assignments during the semester.
- Each problem set will be graded on the 100-point scale.
- You **MUST** submit your problem sets online via the **CANVAS** by 23:59 on the due date.
- You can discuss with your classmates as you wish, but you must each turn in your own solution.

For exams:

- Grading scheme: **Max (20% Module 1 + 20% Module 2 + 20% Final, 10% Module 1 + 10% Module 2 + 40% Final).**
- Final exam will be cumulative.
- All exams will be graded on a 100-point scale.
- Rules for absence from exams are described in a separate section.

### Final Grade Descriptors:

| Grades | Short Description        | Elaboration on subject grading description   |
|--------|--------------------------|--|
| A      | Excellent Performance    | Demonstrates a comprehensive grasp of subject matter, expertise in problem-solving, and significant creativity in thinking. Exhibits a high capacity for scholarship and collaboration, going beyond core requirements to achieve learning goals.  |
| B      | Good Performance         | Shows good knowledge and understanding of the main subject matter, competence in problem-solving, and the ability to analyze and evaluate issues. Displays high motivation to learn and the ability to work effectively with others.   |
| C      | Satisfactory Performance | Possesses adequate knowledge of core subject matter, competence in dealing with familiar problems, and some capacity for analysis and critical thinking. Shows persistence and effort to achieve broadly defined learning goals.   |
| D      | Marginal Pass            | Has threshold knowledge of core subject matter, potential to achieve key professional skills, and the ability to make basic judgments. Benefits from the course and has the potential to develop in the discipline.  |
| F      | Fail                     | Demonstrates insufficient understanding of the subject matter and lacks the necessary problem-solving skills. Shows limited ability to think critically or analytically and exhibits minimal effort towards achieving learning goals. Does not meet the threshold requirements for professional practice or development in the discipline. |

### Course AI Policy

This course does not allow the use of generative artificial intelligence tools to complete assessment tasks.

### Communication and Feedback

Assessment marks for individual assessed tasks will be communicated via Canvas within two weeks of submission. Feedback on assignments will include where your performance is not satisfactory. Written assignment questions will be discussed during tutorials after submission deadlines. Students who have further questions about the feedback including marks should consult the instructor or TA within five working days after the feedback is received.

### **Resubmission Policy**

NO late written assignment submission will be accepted. Please plan ahead and avoid last-minute submission.

### **Absence from Exams**

- Note that outside activities or more than one exam in a day are not acceptable excuses for missing an exam. (Please plan accordingly!)
- If for any reason you are unable to attend an exam, you must seek approval of absence from me directly BEFORE the exam. Your request should be supported by valid documents, such as medical certificate issued by a registered medical practitioner. Absence from an exam without prior approval would result in a ZERO score.
- For students who are absent from a module-based exam with prior approval, the grade weight will be reallocated to the final exam. In other words, there will be no make-up for module-based exams.
- For students who are absent from the final exam with prior approval, a make-up exam will be arranged. Make-up exam will be scheduled as soon as possible and should be within one week after the official final exam date (to be announced).
- It is the responsibility of those who request for a make-up exam to ensure their availability. The make-up arrangement can be in the form of written-exam, oral exam or research paper, etc.
- Please NOTE that the instructor has the final discretion on all arrangements of the make-up exam. Students who request for the make-up final exam should comply all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

### **Required Texts and Materials**

“AE Principle of Economics China Edition,” 10th Edition, by N. GREGORY MANKIW, Cengage Learning.

### **Academic Integrity**

Students are expected to adhere to the university’s academic integrity policy. Students are expected to uphold HKUST(GZ)’s Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to Regulations for Academic Integrity and Student Conduct for the University’s definition of plagiarism and ways to avoid cheating and plagiarism.

### **Additional Resources**

Announcements, lecture slides, and supplementary materials (if any) will be updated onto the course website <http://canvas.ust.hk>.

### Outline and Schedule

| Week                         | Topic                        | Content   | Mapped ILOs                       |
|------------------------------|------------------------------|---|-----------------------------------|
| 1-2                          | Introduction                 | Principles of economics; Thinking like an economist; Gains from trade                 | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 2-3                          | How markets work             | Supply and demand; Elasticity   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 3-4                          | Markets and welfare          | Efficiency of markets; Government policies; Taxation                                  | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 4-5                          | Market failure I             | Externalities   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| Oct 12<br>4:30-5:30PM<br>LHB | Module-based exam 1          | Module 1  | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 5-6                          | Consumer behavior            | Theory of consumer choice   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 6-7                          | Firm behavior                | Costs of production; firms in competitive markets                                     | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 7-8                          | Market power                 | Monopoly; Monopolistic competition; Oligopoly (tentative)                             | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 8-9                          | Labor markets and inequality | Markets for the Factors of Production; Income Inequality, discrimination, and poverty | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 9                            | Market failure II            | Public goods and common resources   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| Nov 16<br>2:00-3:00PM<br>LHA | Module-based exam 2          | Module 2  | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 10                           | Data of macroeconomic s      | Measuring a nation's income; measuring the cost of living                             | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 11                           | Real economy in the long run | Production and growth; Saving and investment; Real interest rates; Unemployment       | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| 12                           | Money and                    | Monetary system; Money growth   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |

|     |                                 |   |                                   |
|-----|---------------------------------|---|-----------------------------------|
|     | prices in the long run          | and inflation   |                                   |
| 13  | Short-run economic fluctuations | Aggregate Demand and Aggregate Supply; Monetary and Fiscal Policy; Phillips curve (tentative) | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |
| TBD | Final exam                      | Modules 1, 2, 3   | ILO-1, ILO-2, ILO-3, ILO-4, ILO-5 |