



**Huron University College
Economics 3371A 550 HUC**

Des McKeon
Wed 11:30 -12:30 and Fri 11:30-1:30 - Classroom W106
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Office Hours A8 Tuesday 4-5
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Course description.

This course will examine the role of money in the economy. We will begin by establishing the demand for money using an overlapping generations framework followed by an investigation into the behavior of interest rates. Next, we will investigate the nature of banking and risk management followed by the role of central banking and the tools and conduct of monetary policy

Course objectives

- Students will become familiar with the financial system and its day-to-day operation.
- Student will be able to critically evaluate the policies of Central Banks.
- Students will gain an understanding of the link between the financial markets and the macroeconomy.
- Students will gain insight into the banking industry and its industrial organization.

Course Materials.

The course has a main text Mishkin, Frederic and Apostolos Serletis, *The Economics of Money, Banking, and Financial Markets*, Canadian Edition 8th Edition

The main text is recommended but not required. Supplementary material may be taken from:

Champ, Bruce, Scott Freeman *Modeling Monetary Economies* second edition, Cambridge University Press 2001. **(or any other edition)**

Fender, John *Monetary Policy*, Wiley 2012.

Walsh, Carl E. *Monetary Theory and Policy*, MIT Press 1998

In addition, there are some excellent websites from central banks that contain research articles on monetary economics.

For example, we will often use the Bank of Canada site (www.bankofcanada.ca) as a source of material.

Assessment.

There will be two midterm tests worth 30% each, a group assignment worth 30% and participation worth 10%. Please note participation marks may entail short quizzes given in class or discussions on assigned readings. **There are no make-up assignments for missed classroom assessments.**

The group assignment consists of selecting, summarizing and reporting on a journal article. The rationale for the assignment is to provide experience in reading professional/ academic articles in monetary economics. **This is a skill that is essential for graduate study or for a professional career.**

The assignment consists **of two parts.** The first part is a written submission (ONE per group) containing a summary of the article that explains its salient points. The second part consists of presenting the summarized version in a seminar.

Your choice of article must come from a mainstream professional journal, a paper from the research department of a central bank or from a handbook or other source of collected works.

Also, your choice of article must be approved by the instructor. **Failure to get approval will result in the article not being accepted.**

Students should try and select their group early in the term.

Important Dates (Tentative)

Tests

Midterm I Oct 14

Midterm II.....Nov18

Group presentations.....begin November 23

Course outline

Introduction to an OLG monetary model-	(Notes).
Behaviour of Interest rates.....	Chapters 4, 5
Term structure and Yield Curve.....	Chapter 6
Stock Markets and EMH.....	Chapter 7
Financial crisis, Banking and risk management.....	Chapters 9,10,12,13
Multiple Deposit Creation.....	Chapter 15
Money Supply.....	Chapter 15
Tools and Conduct of Monetary Policy*	Chapters 16, 17
The Demand for Money*	Chapter 20
Monetary Policy Theory*	Chapters 22, 24
Expectations Theories.....	Chapter 25
The Transmission Mechanisms*.....	Chapter 26

* Extra material will be added.

PLEASE NOTE.

THIS IS A TENTATIVE OUTLINE ADDITONS AND/OR DELETION OF MATERIAL MAY OCCUR AS THE COURSE PROGRESSES. IT IS INCUMBENT ON ALL PARTICIPANTS TO KEEP INFORMED OF ANY CHANGES.

The pace of the course is also flexible. We may go faster or slower than above dates. indicated by the

Attendance

Attendance at **lectures is required** and part (but not all) of your participation mark is based on attendance and any in class quizzes or exercises or discussions. I do not hand out lecture notes for missed classes.

N.B. Make up policy.

If and only if, the instructor gets notification prior to the test date will any makeup be considered. Furthermore, the instructor WILL NOT issue a makeup exam UNLESS academic counselling confirms that the student was incapable of writing the original test on the original date.

Make tests may significantly differ in format and in content from the regularly scheduled exam.

Make up tests are a serious matter and students should not request a makeup unless a situation is extremely serious.

In the event a make- up is granted, there will be ONE date made available. If the student cannot write on the designated date, then no further make up will be given during the term.

The student will be required to write an exam on the makeup date after the final exam period. Until ALL courses requirements are met within the appropriate timeframe, an “incomplete” will appear on the student’s transcript.



Appendix to Course Outlines: Academic Policies & Regulations Fall/Winter 2022

Pandemic Contingency

Huron will continue to follow the guidance of public health and government officials. It is anticipated that there will be no further disruptions to in-person instruction. This is subject to change.

Student Code of Conduct

Membership in the community of Huron University College and Western University implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. While in the physical or online classroom, students are expected to behave in a manner that supports the learning environment of others. Please review the Student Code of Conduct at: <https://huronatwestern.ca/sites/default/files/Res%20Life/Student%20Code%20of%20Conduct%20-%20Revised%20September%202019.pdf>.

Prerequisite and Antirequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites and that they have not completed any course antirequisites. Unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you may be removed from this course

and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Review the policy on Attendance Regulations for Examinations here: [Academic Calendar - Western University \(uwo.ca\)](#)

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following website: [Academic](#)

[Calendar - Western University \(uwo.ca\)](http://www.uwo.ca) .The appeals process is also outlined in this policy as well as more generally at the following website:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/appealsundergrad.pdf.

Turnitin.com

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Statement on Use of Electronic Devices

It is not appropriate to use electronic devices (such as, but not limited to, laptops, tablets, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Statement on Use of Personal Response Systems (“Clickers”)

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Academic Consideration for Missed Work

All students pursuing academic consideration, regardless of type, must contact their instructors no less than 24 hours following the end of the period of absence to clarify how they will be expected to fulfill the academic responsibilities missed during their absence. **Students are reminded that they should consider carefully the implications of postponing tests or midterm exams or delaying submission of work, and are encouraged to make appropriate decisions based on their specific circumstances.**

Students who have conditions for which academic accommodation is appropriate, such as disabilities or ongoing or chronic health conditions, should work with Accessible Education Services to determine appropriate forms of accommodation. Further details concerning policies and procedures may be found at: <http://academicsupport.uwo.ca/>.

Policy on Academic Consideration for a Medical/ Non-Medical Absence

- (a) Consideration on **Medical Grounds** for assignments worth *less than 10%* of final grade:
Consult Instructor Directly and Contact Academic Advising

When seeking consideration on **medical grounds** for assignments worth *less than 10%* of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. If documentation is requested, the student will need to complete and submit the [Student Medical Certificate](#). The instructor may **not** collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation.

b) Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising

University Senate policy, which can be found at [Academic Calendar - Western University \(uwo.ca\)](#) requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

c) Consideration on Non-Medical Grounds: Consult Huron Support Services/Academic Advising, or email huronsss@uwo.ca.

Students seeking academic consideration for a **non-medical** absence (e.g. varsity sports, religious, compassionate, or bereavement) will be required to provide appropriate documentation. All consideration requests must include a completed [Consideration Request Form](#). Late penalties may apply at the discretion of the instructor.

Please review the full policy on Academic Consideration for medical and non-medical absence at: [accommodation_medical.pdf \(uwo.ca\)](#). Consult [Huron Academic Advising](#) at huronsss@uwo.ca for any further questions or information.

Support Services

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation, students should email an Academic Advisor in Huron’s Student Support Services at

huronsss@uwo.ca. An outline of the range of services offered is found on the Huron website at: <https://huronatwestern.ca/student-life/student-services/>.

Department Chairs, Program Directors and Coordinators are also able to answer questions about individual programs. Contact information can be found on the Huron website at: <https://huronatwestern.ca/contact/faculty-staff-directory/>.

If you think that you are too far behind to catch up or that your workload is not manageable, you should consult your Academic Advisor. If you are considering reducing your workload by dropping one or more courses, this must be done by the appropriate deadlines. Please refer to the Advising website, <https://huronatwestern.ca/student-life/student-services/academic-advising/> or review the list of official Sessional Dates on the Academic Calendar, available here: <http://www.westerncalendar.uwo.ca/SessionalDates.cfm>.

You should consult with the course instructor and the Academic Advisor who can help you consider alternatives to dropping one or more courses. Note that dropping a course may affect OSAP and/or Scholarship/Bursary eligibility.

Huron Student Support Services: <https://huronatwestern.ca/student-life/student-services/> Office of the Registrar: <https://registrar.uwo.ca/> Student Quick Reference Guide: <https://huronatwestern.ca/student-life/student-services/#1> Academic Support & Engagement: <http://academicsupport.uwo.ca/> Huron University College Student Council: <https://huronatwestern.ca/student-life/beyond-classroom/hucsc/> Western USC: <http://westernusc.ca/your-services/#studentservices>

Wellness and Health Supports at Huron and Western

University students may encounter setbacks from time to time that can impact academic performance. Huron offers a variety of services that are here to support your success and wellbeing. All Huron staff and faculty have received training on responding to disclosures of Gender-Based Sexual Violence (GBSV); students should know that the Community Safety Office is a resource for survivors, providing support and, if desired, guidance while referring them to the further supports that they may require. Please visit <https://huronatwestern.ca/student-life-campus/student-services/wellness-safety> for more information or contact staff directly:

Wellness Services:

huronwellness@huron.uwo.ca

Community Safety Office:

safety@huron.uwo.ca

Additional supports for Health and Wellness may be found and accessed at Western through, <https://www.uwo.ca/health/>.

Western Calendar - Policy Pages -

[Academic Calendar - Western University \(uwo.ca\)](https://www.uwo.ca/academic-calendar/)