

## Monetary Economics - Economic 3371B – Section 551

### Department of Economics - Winter 2022

Course delivery with respect to the COVID-19 pandemic - Although the intent is for this course to be delivered in-person, the changing COVID-19 landscape may necessitate some or all of the course to be delivered online, either synchronously (i.e., at the times indicated in the timetable) or asynchronously (e.g., posted on OWL for students to view at their convenience). The grading scheme will not change. Any assessments affected will be conducted online as determined by the course instructor.

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### Course Information

Instructor: Samira Hasanzadeh

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Phone: (519)438-7224 ext. 246

**Office Hours:** Mondays 11:00 am - 12:00 pm or by appointment

**Lectures:** Wednesdays 8:30 am - 9:30 am, Fridays 8:30 am - 10:30 am

**Classroom:** V208

### Course Description

The course will begin by the basic overlapping generations model which emphasizes the microeconomic foundations behind money. Next, we will study the role of financial markets, central banking and the conduct of monetary policy, and the role of monetary policies in the overall economy. The contents will be discussed mostly in the Canadian context, but some international events will be addressed wherever necessary.

### Course Objectives

Upon completion of this course students will:

- Understand the basic mechanics of a monetary system
- Be able to critically evaluate the policies of central banks
- Be able to understand the communications of central bankers to the public and critically assess them.
- Be able to evaluate the linkage between the policies of central banks and financial markets

### Prerequisite(s):

Economics 2221A/B

## Antirequisite(s):

Economics 2154A/B, Economics 3330A/B.

## Class Methods

Classes will be primarily lecture based with some time devoted to discussion and other learning activities.

## Course Website

A website on [OWL](#) will be used to post materials relating to the course. Any content in the textbook that you will not be tested on is noted in the weekly schedules. It is your responsibility to check OWL daily for class announcements.

## Time-zones

Times for all activity, e.g. lectures, quizzes, tests, and due dates for assignments will be posted in local London time (EDT). If you are in a different time zone, please make sure you know how London time converts to where you are. Errors in calculations are not an acceptable reason to miss deadlines.

## Required Textbooks:

- “The Economics of Money, Banking, and Financial Markets”, by Frederic Mishkin and Apostolos Serlitis, Seventh Canadian Ed., Pearson Publishers. The title is offered in the following formats:
  - 180-Day Subscription: available through the bookstore ([link](#))
  - Two-Download: available through the bookstore ( [link](#))
  - Pearson eText: available through Pearson Learner Store ( [link](#))
- “Modeling Monetary Economies”, by Bruce Champ, Scott Freeman, and Joseph Haslag, 4th Edition, Cambridge University Press. Students enrolled in the course can access the scans of the first two chapters, here: <https://course readings.lib.uwo.ca/ares/>
- **Supplementary Reference Textbook:**
  - Monetary Policy, by John Fender, Wiley, Hoboken, N.J, 2012.

**Note:** Additional readings may be assigned.

## Course Outline

1. Modeling Monetary Economies
  - Champ: Ch.1
2. A Simple Model of Money
  - Champ: Ch.2
3. The Money Supply Process
  - Mishkin: Ch.15

- Fender: Ch.5
4. Tools of Monetary Policy
    - Mishkin: Ch.16
    - Walter Engert, Toni Gravelle, and Donna Howard, “The Implementation of Monetary Policy in Canada”, Bank of Canada Discussion Paper 2008-9
    - John Murray, “Monetary Policy Decision Making at the Bank of Canada”, Bank of Canada Review 2013
  5. The conduct of Monetary Policy: Strategy and Tactics
    - Mishkin: Ch.17
    - Fender:Ch.17
  6. The Demand for Money
    - Mishkin: Ch.20
    - Fender:Ch.5
  7. The Monetary Policy and Aggregate Demand Curve
    - Mishkin: Ch.22
  8. Monetary Policy Theory
    - Mishkin: Ch.24
  9. The Role of Expectations in Monetary Policy
    - Mishkin: Ch.25
  10. Transmission Mechanisms of Monetary Policy
    - Mishkin: Ch.26
    - Fender: Ch.18

**Please note that I reserve the right to make modifications to the list of contents as the term proceeds.**

## Course Evaluation

The assessment in this course will be based on the following:

Assignment 1 (January 21-January 28 )	10%
Midterm Examination (February 18)	30%
Group Assignment	20%
Final Examination	40%
	100%

- You will require to upload your original work in a digital format via OWL before 11:55 pm (EDT) on due dates. Late submissions will not be accepted and will receive a mark of zero.
- There will be no make-up tests for the missed midterm examination and assignments. Failure to write the midterm exam will result in a grade of zero without proper documentation. A student who misses a test must provide documentation to the counseling office (not the professor) and if this documentation is accepted as a valid reason for missing a test then (and only then) the weight of the missed test will be reallocated to the final exam. This is the only method of accommodation for missed tests that will be used in this course.

- The group assignment includes
  - Presentation: Each group is required to present one research article. The in-class presentation will be in the typical format of an academic conference (15-20 min presentation + 5 min questions). The questions will be asked by me, and two students (other than the presenters) that will be assigned to each presentation. Students will be able to select the paper to present among a list of references that I will provide. Summarize the article, the methodological approach, and the results, focusing only on the important points. You should identify the research question in the paper. Explain how the paper fits into the literature and present your critique. Your mark will depend on your understanding of the paper, your organization, and your oral presentation. The expectation is that students present the paper in such a way that the audience benefits.
    - \* Place the paper into the context of the macroeconomic debate. Why does it matter?
    - \* Highlight the main mechanism(s). How do the result arise?
    - \* State the main contribution and results. What are the main take-aways?
  - Summarizing the article and submitting your summary (600-800 words, **April 8**): Your summary should highlight the key aspects of the articles.
- The list for journal articles will be provided separately and posted on the course website.
- The final exam will be held during the April Examination Period as scheduled by the University.

## Satisfactory Performance Criteria:

Students must fulfill all of the preceding course requirements in order to achieve a passing grade.

## Regrading:

Students seeking reappraisal of their graded assignment or mid-term examination should contact the instructor within a week after they receive their grades. Students are required to send e-mail to the instructor with the subject "ECON 3371B-REQUEST FOR REGRADING" explaining the reason(s) for requesting a reappraisal of their graded work. Note: Reappraisals that do not conform to this standard will not be considered.

## Treatment of Course Materials

Student, teaching, assignment or professor materials created for this course (including but not limited to lecture slides, presentations and posted notes, labs, case studies, assignments, exams and solutions to assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and **may not be reproduced or redistributed without prior written consent of the author(s)**.

## **Appendix to Course Outlines: Academic Policies & Regulations 2021 - 2022**

### **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.

### **Pandemic Contingency**

In the event of a COVID-19 resurgence during the course that necessitates the course delivery moving away from face-to-face interaction, all remaining course content will be delivered entirely online, typically using a combination of synchronous instruction (i.e., at the times indicated in the timetable) and asynchronous material (e.g., posted on OWL for students to view at their convenience). Any remaining assessments will also be conducted online at the discretion of the course instructor. In the unlikely event that changes to the grading scheme are necessary, these changes will be clearly communicated as soon as possible.

### **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>.

### **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:  
[https://www.uwo.ca/univsec/pdf/academic\\_policies/exam/attendance.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/exam/attendance.pdf).

### **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: [https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/scholastic\\_discipline\\_undergrad.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf). 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](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, 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**

Students who are seeking academic consideration for missed work during the semester may submit a self-reported absence form online provided that the absence is **48 hours or less** and the other conditions specified in the Senate policy at

[https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/accommodation\\_illness.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_illness.pdf) are met.

Students whose absences are expected to last **longer than 48 hours**, or where the other conditions detailed in the policy are not met (e.g., work is worth more than 30% of the final grade, the student has already used 2 self-reported absences, the absence is during the final exam period), may receive academic consideration by submitting a Student Medical Certificate (for illness) or other appropriate documentation (for compassionate grounds). The Student Medical Certificate is available online at [https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf).

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, and if the student has exceeded the maximum number of permissible Self-Reported absences, 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) Consideration on Non-Medical Grounds: Consult Huron Support Services/Academic Advising, or email [huronsss@uwo.ca](mailto: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 where the conditions for a Self-Reported Absence have not been met, including where the student has exceeded the maximum number of permissible Self-Reported. 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: [https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/accommodation\\_illness.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_illness.pdf). Consult [Huron Academic Advising](#) at [huronsss@uwo.ca](mailto: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](mailto: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>

### **Mental Health & Wellness Support 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. 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](mailto:huronwellness@huron.uwo.ca)

Community Safety Office: [safety@huron.uwo.ca](mailto:safety@huron.uwo.ca)

Chaplaincy: [gthorne@huron.uwo.ca](mailto:gthorne@huron.uwo.ca)

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