



University of Victoria

Course Syllabus

Department of Economics
ECONOMICS 305 A01
Money and Banking,
Fall 2024 (CRN 11101)

Instructor: Dr. Fatemeh Mokhtarzadeh
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Class Information

Lecture time: Mon. Thur.; 4:30 pm-5:50 pm.

Location:

Office Hours: By appointment.

Teaching Assistants: TBA

UVic Land Acknowledgement: *We acknowledge and respect the Lək̓ʷəŋən (Songhees and Esquimalt) Peoples on whose territory the university stands, and the Lək̓ʷəŋən and W̱SÁNEĆ Peoples whose historical relationships with the land continue to this day.*

Emails: Check at least once a day. Emails (i) must have logical subject headers starting with “Econ 305 A01” and (ii) include your name in the body of the message. The expectation is that correctly-sent emails (by a student or the teacher) are answered within 48 hours.

BrightSpace: The course materials, including lecture notes and weekly announcements will be posted in BrightSpace.

Description: This course is an introduction to monetary and financial economics with special reference to the Canadian economy. The aim is further your understanding of the role of financial assets and institutions and how they affect the economy.

This is a challenging course! -- it covers micro money and banking and macro modelling and policy. This involves learning different types of models and theories as well as lots of institutional facts. If you work hard in this course you will be rewarded with a foundation for understanding key connections between the study of monetary theory and policy (ECON 104, 204, 306, 406), corporate finance (COM 240, ECON 454), industrial organization (ECON 310A), and asset pricing (ECON 435).

Textbook: Mishkin, F.S. and A. Serletis, *The Economics of Money, Banking, and Financial Markets*, 8th Canadian edition, Pearson Education Canada Inc., Toronto, 2019. The text is available in the UVic Bookstore and comes wrapped with MyLab. We will use MyLab so you'll need to access it if you buy the text separately; it should be available from the bookstore and the Pearson website (search for the

text and look for eLearning & Assessment to purchase it.)

The Bookstore anyway offers the best value. [The 7th edition is not drastically different. However, the page numbers, exercises, etc. are based on the 8th edition and if use the 7th edition it is up to you to figure out the differences and be responsible for possible omissions/changes.]

The SHARP EL-510 calculator, i.e. one of its many variations. No other calculators are permitted

Grading: Your final grade will be determined as follows:

MyEconLab	13%	usually weekly (starting 2 nd week)
Assignments	12%	periodically (TBA)
Midterm 1	20%	Monday, October. 7 th in class
Midterm 2	20%	Thursday, November 7 th in class
Final examination	<u>35%(55%)</u>	official exam schedule (to be posted)
	100%	

Make-up midterms will not be given. You must write at least one of the exams to complete the course, if you do better on the final exam than your worst midterm, I will shift the weight from that midterm to the final (in which case the final exam will have weight of 55%). The Final is cumulative covers material from the entire course. You must write the final exam to complete the course.

The MyEconLab chapter quizzes offer ongoing review. The first set of MyEconLab (MEL) chapter quizzes is available on **Wed. Sep 11th and is due on Sun. Sep 15th at 11:59 pm PST**. Subsequent chapter quizzes are usually available every Monday at 8:00 and will be due on the following Thursday at 11:59 pm PST. You are responsible for tracking and identifying any problems with your completing the assignments on time. I will drop **your two lowest** chapter mark (evaluated as a percentage). *Warning* – quickly reviewing the MEL quizzes is not sufficient to do well on the exam multiple-choice questions!

Course letter grade - numerical score (%) equivalencies used at UVic are as follows:

A+	A	A-	B+	B	B-	C+	C	D	F or N
90-100	85-89	80-84	77-79	73-76	70-72	65-69	60-64	50-59	0-49

SYLLABUS

The following outline of topics and readings is tentative. Please refer to BrightSpace for updated topics and readings. Chapter references refer to the textbook. Other notes and references will be posted on the BrightSpace as the term progresses.

Part 1 Money

1. *Evolution of Money* (handout); *History of the Canadian Dollar*
2. What is Money? (Ch. 3)
3. Why Study ... (Ch. 1; Why Study Money and Monetary Policy)

Part 2 Financial Markets

1. Why Study ... (Ch. 1 up to: Why Study Money and Monetary Policy)
2. An Overview ... (Ch.2 up to: Function of Financial Intermediates: Indirect Finance)
3. The Meaning of Interest Rates (Ch. 4);
4. The Behaviour of Interest Rates (Ch. 5)
5. The Risk and Term Structure of Interest Rates (Ch. 6);
6. Stock Prices and Discounted Dividend Model (Ch. 7)

Parts 3&4 Financial Institutions, and The Management of Financial Institutions

1. An Overview ... (Ch.2; from Function of Financial Intermediates ...)
2. An Economic Analysis of Financial Structure (Ch.8)
3. Banking and the Management of Financial Institutions (Ch. 12)
4. Financial Crisis (Ch.11)[Optional]

Part 5 Central Banking and the Conduct of Monetary Policy

1. Central Banks and the Bank of Canada (Ch. 14)
2. The Money Supply Process (Ch. 15)
3. Tools of Monetary Policy (Ch. 16)
4. The Conduct of Monetary Policy: Strategy and Tactics (Ch. 17)

Part 6 Monetary Theory (and Financial Crisis)

1. Quantity Theory, Inflation and the Demand for Money (Ch. 20)
Aggregate Output, the Price Level, and Inflation (Ref. Ch. 1 Appendix);
Money, Inflation and the Quantity Theory of Money (Ref. Ch. 20)
The Foreign Exchange Market (Ch 18, p. 462-465)[Optional]
2. Monetary Policy Theory and The Role of Expectations (Ch 24 &25) [Optional]
3. "Great Depression" in the text (especially Ch 15) [Optional]

Policies:

This course adheres to the [Undergraduate Course Policies](#) of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Students with a disability
- Term assignments and debarment from examinations
- Travel plans

Further information related to policies:

Department policies regarding academic integrity, attendance, grading, academic concessions, travel plans, students with a disability, and inclusivity and diversity, are detailed at:

<http://www.uvic.ca/socialsciences/economics/undergraduate/home/courses/course-policies.php>.

Classes:

Your attendance in class is expected (and active participation is much appreciated!) I will likely monitor class attendance, at least from time to time. Yet, this is really just for me to learn to what extent attendance matters and the gauge whether students are on track: attendance will not gain you any marks and missing classes will not cost you any marks. If you miss a class then there is no need to let me know.

Language:

English is the instruction language at the University. Your enrollment implies that you are able to function with it. All communications between you and the classmates (in class), the instructor and the teaching assistant should be in English. You should make sure that all written work is complete and understandable. Dictionaries are not allowed in examinations.

Centre for Accessible Learning:

Please email me at least 48 hours before the start of an exam to confirm that you are registered with CAL and you are allowed to have extended time. You should expect my confirmation and special instructions when I reply to your email.

Examinations:

Attendance at all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of illness, accident or family affliction, and for no other reasons. If you miss a test, you should provide me with the reason within 5 days, otherwise you will get a zero on that test. In the event of a missed final examination, students are advised to follow the procedures outlined in the University Calendar.

Documentation of Academic Concessions for Medical Reasons:

- When there is a medical condition, you should inform me as early as possible within 5 days or when your health permits.
- In the case of a missed final exam, the university procedure is for the student to submit a Request for academic Concession form to Undergraduate Records and they will schedule the deferred exam.
- Please note that if your RAC is approved, you will complete the course in the upcoming term by writing a make-up exam.
- Please inform me by email when you apply to Academic Concession. This will help me to plan for the make-up session.
- Please check <https://www.uvic.ca/registrar/students/appeals/acad-concession/index.php> for details. Specifically,

E-mail correspondence:

- You may contact me at my UVic email address. Please include both your legal name (the name in the university records) and course title in the subject of your email. Your V# (student ID) must be included in the body of the email. Without such information, it is sometimes hard for the instructor to understand the nature of your queries. Please avoid inappropriate nicknames, email ids and signatures. Text message lingo should not be used.
- You should contact me by email primarily on matters that relate to your personal participation, e.g. you have a medical condition that prevents you from taking an exam. It is best to raise questions related to course materials in class or in person during office hours. You may ask simple short questions via email; however, I may answer directly, or I may reply telling you that I will cover that in class, or it is best to explain the question in person. E-mail is a terribly inefficient way of communicating with these types of issues. General administrative matters such as the arrangement and the format for the assignments or exams will ONLY be discussed in class and no answers will be provided via email on these issues.

Waitlist Policies:

- Enrolment limits are determined by classroom capacity. Instructors have no discretion to raise the cap or admit waitlisted students. While waiting for enrolled students to drop, waitlisted students must attend all classes and submit assignments according to the normal deadline.
- Enrolled students who do not show up in the first three lectures may lose their seats. Enrolled students who decide not to take the course are responsible for initiating their dropping out of the course, and are urged to do so as promptly as possible out of courtesy toward waitlisted students.

Academic Integrity:

Please browse [What is Plagiarism](#) for the definition of plagiarism.

Course Experience Survey (CES):

I value your feedback on this course. Towards the end of term, you will have the opportunity to anonymously complete the CES. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

If you do not receive an email invitation to complete the CES, you can go directly to <http://ces.uvic.ca>. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

1. What strengths did your instructor demonstrate that helped you learn in this course?
2. Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
3. Please provide specific suggestions as to how this course could be improved.”