

Economics 541 (01) Monetary Theory

Instructor:	Apostolos Serletis	Lecture Location:	ZOOM Delivery
Email:	Serletis@ucalgary.ca	Lecture Days/Time:	TR 8:00 - 9:15
Office:	ZOOM Delivery		
Office Hours:	TR 11:00 – 12:00		
	https://ucalgary.zoom.us/my/serletis		Winter 2021

Course Description:

This course looks at monetary economics through a theoretical lens and develops a benchmark model to understand the interactions between real and monetary factors. The principal issues it covers lie at the heart of such important social problems as economic growth, inflation, and deficits and debts.

Course Objective:

The objective is to help students understand the ideas, controversies, and techniques that constitute modern monetary theory. Nonconventional monetary policy at the 'zero lower bound' is also discussed, and the empirical study of many issues raised in theoretical debates is emphasized.

Course Learning Outcomes:

After completing this course, students will know

- The goals of monetary policy, the strategies for the conduct of monetary policy, and the tools that central banks use to conduct monetary policy.
- The interaction between fiscal and monetary policy and how the new fiscal theory of the price level suggests that fiscal policy can be a determinant of the price level.
- How monetary and fiscal policies affect inflation, the government budget, and economic activity.
- How public expectations of the economy are formed, how they affect the economy, and how the theory of rational expectations has shaped current policy-making models and debates.

Prerequisites: Economics 341, 357 and 359.

Corequisite: Economics 395.

Required Textbook(s):

- [1] Mishkin, F.S. and A. Serletis, *The Economics of Money, Banking, and Financial Markets: 7th Canadian Edition*, Pearson 2020.
- [2] Serletis, A. *The Demand for Money: Theoretical and Empirical Approaches*, Springer, 2007.

Recommended Textbook(s): None**Reserved Readings:**

- [3] Friedman, B.M. and F.H. Hahn (Eds.). *Handbook of Monetary Economics*, Vols. 1 & 2. North-Holland (1990).
- [4] Friedman, B.M. and M. Woodford (Eds.). *Handbook of Monetary Economics*, Vols. 3A & 3B. North-Holland (2011).

Course Outline:

1. Central Banking and the Conduct of Monetary Policy

- [1] Chapters 14 - 17

2. The Demand for Money

- [1] Chapter 20
- [2] Chapters 7 – 9

3. Monetary and Fiscal Policy

- [1] Chapters 21, 22, 23, 26
- [2] Chapters 1, 2, 5
- [4] Chapter 17

4. Money and Inflation

- [1] Chapter 24
- [2] Chapter 6

5. The Role of Expectations

- [1] Chapters 25
- [2] Chapter 3

Online Delivery:

This course will be delivered online. Students are expected to be able to participate online in accordance with this Course Outline. Lectures, assignments, office hours, exams, readings and other course material all require online access and this access is the responsibility of the student.

In order to remotely participate in online courses, students will need to have: computer with a current and updated operating system (macOS or Windows will work with all university-supported online

learning technologies), a current and updated web browser installed – the latest versions of Firefox, Safari, Chrome or Edge will help to avoid compatibility issues, secure and reliable internet, microphone / headphones, webcam (optional), scanner (or camera to scan your work).

Desire2Learn:

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

MyLab Economics:

MyLab Economics uses adaptive learning technologies and is an efficient tool for learning as students get instant feedback on their work. The ability to see your mistakes, and use help tools to make changes and improvements allows students to learn on their own timelines. Registration details will be posted on D2L.

Lectures:

Lectures will be delivered online at the Registrar scheduled times and delivered using ZOOM. The lectures will be recorded and subsequently posted to D2L.

Grade Determination and Final Examination Details:

Midterm (March 4)	50%
Final exam	50%

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole. Part marks of 0.5 or above will be rounded up; those below 0.5 will be rounded down.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. [See https://www.ucalgary.ca/pubs/calendar/current/e-2.html](https://www.ucalgary.ca/pubs/calendar/current/e-2.html).

Tests and exams will not involve multiple-choice questions. Non-programmable calculators will be allowed during the writing of tests or final examinations.

Course material dealing with the midterm exam will be covered in class at least one week before the exam. The midterm exam will be take-home and is designed and intended to be completed in 75 minutes. Students will download the exam from D2L, complete the exam, scan it, and submit using Dropbox in D2L. Students will have 50% more time to complete the exam, at a time of their choosing, within the 24-hour period from 9:15 a.m. March 3 to 9:15: a.m. March 4. The exam will be OPEN book.

The final examination will be take-home, comprehensive, and scheduled by the Registrar. Students will download the exam from D2L, complete the exam, scan it, and submit using Dropbox in D2L. Students will have 50% more time to complete the exam, at a time of their choosing, within the 24-hour period that begins 24 hours before the end date of the Registrar's scheduled final exam for this course. The exam will be OPEN book.

All other course components will also be accessed, submitted, and returned through D2L.

If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam <https://www.ucalgary.ca/pubs/calendar/current/g-6.html>. Under no circumstance will this be accommodated by the Department.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

Reappraisal of Grades and Intellectual Honesty:

For Reappraisal of Graded Term Work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For Reappraisal of Final Grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

ACADEMIC MISCONDUCT

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Student committing academic misconduct during the final exam will not receive a passing grade on the course.

For information on the Student Academic Misconduct Policy and Procedure please visit:

<https://ucalgary.ca/policies/files/policies/student-academic-misconduct-policy.pdf>

<https://ucalgary.ca/policies/files/policies/student-academic-misconduct-procedure.pdf>

Additional information is available on the Academic Integrity Website at <https://ucalgary.ca/student-services/student-success/learning/academic-integrity>.

Academic Accommodations:

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>.

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see <http://www.ucalgary.ca/legalservices/files/legalservices/faq-students.pdf> and http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty_0.pdf.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright.pdf.

Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Course materials created by the instructor (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

Recording of Lectures:

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

Student Organizations:

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: www.fasaucalgary.ca.

Society of Undergraduates in Economics:

<https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at societyofundergradsineconomics@gmail.com.

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Call them at 403-220-3580, or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625].

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds' Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.

- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

Notes:

Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.

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