

York University
Department of Economics
Faculty of Liberal Arts and Professional Studies
AP/ECON 3440 3.0 AF
Monetary Economics II: Theory and Policy
Fall 2020

Instructor	Professor Tasso Adamopoulos
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Lecture Hours	Mon. & Wed., 2:30 p.m. – 4:00 p.m., REMOTE (Zoom Link through Moodle).
Virtual Office Hours	Mon. & Wed., 1:30 p.m. – 2:15 p.m., REMOTE (Zoom Link through Moodle).
Course Web Page	https://eclass.yorku.ca/eclass/course/view.php?id=1083 The <i>Moodle</i> page will be used extensively for posting announcements, lecture notes, practice questions and solutions. There you will also find the Zoom links for the online lectures, office hours and the lecture recordings.
Teaching Assistance	TBA
Course Description	The purpose of this course is to introduce students to a set of topics in contemporary monetary economics. The primary approach of the course is to stress the theoretical micro-foundations behind money, by modeling the behavior of rational agents in a market setting. In the context of this theoretical framework, the course will examine topics such as why agents hold money, the quantity theory of money, the inefficiency of inflation, the effect of surprise inflation and the Lucas Critique, the effect of monetary policy on national debt, and commitment issues in the conduct of monetary policy, among others.
Textbook	The required textbook is <i>Modeling Monetary Economies</i> (4 th Edition), by Bruce Champ, Scott Freeman, and Joseph Haslag, Cambridge University Press 2016.
Evaluation	Online Midterm Test (worth 40%): <u>Monday, October 26, 2020</u> , during class time Online Final Exam (worth 60%): <u>December exam period</u> The midterm exam will be held during class time REMOTELY. There will be no make-up exam for the midterm. For students that provide appropriate and timely documentation for missing the midterm, the weight will be transferred to the final exam. The date/time of the REMOTELY held final exam will be set at a later date and announced well in advance. The final exam will include <u>all</u> the material covered in the course. A student that misses the final exam and requests deferred standing, must consult the <i>Guidelines for Deferred Standing</i> , available at: http://econ.laps.yorku.ca/students/academic-policies-procedure/deferred-standing/ Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty. The grades may be scaled to conform to the regulations of the Faculty of LAPS.
Prerequisites	AP/ECON 1000 3.0, AP/ECON 1010 3.0 or equivalents. Basic algebra will be used in the course.

Course Credit Excl. GL/ECON 3390 3.0 (Prior to Fall 2009: AK/ECON 3440 3.0, GL/ECON 3390 3.0).

Course ADD/Drop Deadlines

	Fall Term 2020 (F)	Winter Term 2021(W)
Last date to add a course without permission of instructor (also see Financial Deadlines)	Sept. 22	Jan. 25
Last date to add a course with permission of instructor (also see Financial Deadlines)	Oct. 6	Feb. 8
Last date to drop a course without receiving a grade (also see Financial Deadlines)	Nov. 6	March 12
Course Withdrawal Period (withdraw from a course and receive a grade of "W" on transcript – see note below)	Nov. 7 - Dec. 8	March 13 - April 12

****Policy and Guidelines on Withdrawn from Course:** <http://secretariat-policies.info.yorku.ca/policies/withdrawn-from-course-w-policy-and-guidelines/>

****Fall/Winter 2020-2021 Important Dates:** <https://registrar.yorku.ca/enrol/dates/fw20>

Topics Outline The topics that will be covered are as follows.

1. *The Overlapping Generations Model of Fiat Money*
 - Chapters 1 & 2.
2. *Inflation and Seigniorage.*
 - Chapter 4.
3. *Price Surprises and the Lucas Critique*
 - Chapter 6.
4. *Deficits / National Debt*
 - Chapter 15.
5. *Savings and the Effect of National Debt*
 - Chapter 16: Savings / Investment.
 - Chapter 17: Effect of National Debt on Savings.
6. *Time Inconsistency of Monetary Policy*
 - Chapter 18: The Temptation of Inflation.
 - Kydland and Prescott (JPE, 1977): Rules vs. Discretion.

IMPORTANT COURSE INFORMATION FOR STUDENTS

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Curriculum & Academic Standards webpage;

<https://secretariat-policies.info.yorku.ca/>

- York's Academic Honesty Policy and Procedures/Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation

Here are some useful links for student computing information, resources and help:

[Student Guide to Moodle](#)

[Zoom@YorkU Best Practices](#)

[Zoom@YorkU User Reference Guide](#)

[Computing for Students Website](#)

[Student Guide to eLearning at York University](#)

Students shall note the following:

- Zoom is hosted on servers in the U.S. This includes recordings done through Zoom.
- If you have privacy concerns about your data, provide only your first name or a nickname when you join a session.
- The system is configured in a way that all participants are automatically notified when a session is being recorded. In other words, a session cannot be recorded without you knowing about it.

Please review the [technology requirements and FAQs for Moodle](#).

Policy on Zoom Lecture Recordings

Please note in your policy that 1) the recordings should be used for educational purposes only and as a means for enhancing accessibility; 2) students do not have permission to duplicate, copy and/or distribute the recordings outside of the class (these acts can violate not only copyright laws but also [FIPPA](#)); and 3) all recordings will be destroyed after the end of classes.

Academic honesty and integrity

In this course, we strive to maintain academic integrity to the highest extent possible. Please familiarize yourself with the meaning of academic integrity by completing SPARK's [Academic Integrity module](#) at the beginning of the course. Breaches of academic integrity range from cheating to plagiarism (i.e., the improper crediting of another's work, the representation of another's ideas as your own, etc.). All instances of academic dishonesty in this course will be reported to the appropriate university authorities, and can be punishable according to the [Senate Policy on Academic Honesty](#).