

York University
Faculty of Liberal Arts & Professional Studies
Department of Economics

Course: GL/ECON3440 3.0M – Monetary Economics II: Theory and Policy

Course Webpage:

Term: Winter 2021

Prerequisite / Co-requisite: See undergraduate calendar

Course Instructor Contact

Instructor: John Paschakis
Office: 1107 Vari Hall
Phone: 416-736-2100 Ext. 33476
Email: jpaschak@yorku.ca
Office Hours: Thursday 11:30 am – 12:00 pm **(office hours are offered online via zoom)**

Time and Location

Lectures: Tuesday and Thursday 10:00 am – 11:30 am **(lectures are offered online via zoom)**
TA hours: TBA

Course Description

This course studies the central bank and its use of monetary policy to control growth and fluctuations in the Canadian economy through the chartered banking system. It considers links between Canada's financial system and the international financial system, with particular emphasis on the restraining influence of international financial requirements on the attainment of national goals.

Course Text / Readings

Frederic S. Mishkin and Apostolos Serletis, The Economics of Money, Banking, and Financial Markets, Seventh Canadian Edition, Pearson, 2020.

Instructor's notes and practice material are provided online (see moodle course website)

Weighting of Course

Evaluation

Evaluation of students' academic performance consists of one midterm exam and a final exam. The weights for the calculation of the final course grade are as follows:

Midterm Exam (50%): Tuesday, February 23 (offered online during class time), chs 14 – 17 & ch. 20

Final Exam (50%): Fall examinations April 14 – 28 (offered online), chs 21 - 26

Final course grades may be adjusted to conform to Program or Faculty grades distribution profiles.

Missed Tests

There will be no make-up for the midterm exam. Students absent from the mid-term exam for documented reasons will have the weight transferred to their final exam. The deferred exam for the final exam will be granted **only for medical reasons**. In such cases students should submit a deferred exam application together with the supporting documents (attending physician's statement) to the economics department to my attention. The date and time of the deferred exam will be set at a later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

Grading

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Assignments and tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.)

Organization of the Course

The course involves formal lectures by the course director. The lectures will be supplemented by discussion questions and problems to be worked out by the students. Students who have difficulties answering the questions should consult with the teaching assistant(s) who will be available to assist students during their office hours. The required readings are central to the course. The lectures and tutorials, where applicable, will serve to enrich, clarify, and illustrate crucial issues from the assigned readings.

Course Learning Objectives

Topics to be covered

1. Central Banks and the Bank of Canada, Chapter 14
2. The Money Supply Process, Chapter 15
3. Tools of Monetary Policy, Chapter 16
4. The Conduct of Monetary Policy: Strategy and Tactics, Chapter 17
5. Quantity Theory, Inflation, and the Demand for Money, Chapter 20
6. The IS Curve, Chapter 21
7. The Monetary Policy and Aggregate Demand Curves, Chapter 22
8. Aggregate Demand and Supply Analysis, Chapter 23
9. Monetary Policy Theory, Chapter 24
10. The Role of Expectations in Monetary Policy, Chapter 25
11. Transmission Mechanisms of Monetary Policy, Chapter 26

Additional Information/Notes

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;

<http://www.yorku.ca/secretariat/policies/index-policies.html/>

- 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