

YORK UNIVERSITY
Faculty of Liberal Arts & Professional Studies
Department of Economics

AP/ECON 3440 3.00 M
Monetary Economics II: Theory and Policy

Summer 2021

1. Course Instructor/Contact:

Instructor: Arman Mansoorian

Class time: Tuesdays and Thursdays 6:00 to 9:00 on Zoom

2. Course Description

The purpose of this course is to introduce you to some standard topics in Monetary Economics with special emphasis on the Canadian economy.

3. Required Textbook / Readings:

The exams will be based primarily on materials covered in class. The most relevant material will be the lecture notes, and the questions discussed in class. The following textbooks are recommended.

Macroeconomics (second Canadian edition), by A. Abel, B. Bernanke, D. Croushore and R. Knoobone. Pearson Publishers, 2016.

Macroeconomics (seventh Canadian edition), by J.B. DeLong, M. Olney, A. Mansoorian and L. Michelis. McGraw-Hill Ryerson Publishers, 2007.

4. Weighting for the Course

There will be a midterm test on **July 27**, during class-time. There will also be a Final exam during the exam period in August.

The midterm test will be worth 40% of the mark for the course, and the Final will be worth 60%. On individual basis, if it is to your advantage, these weights will change to 30% for the midterm, and 70% for the final.

COURSE OUTLINE

The topics that will be covered are as follows. More specific and/or additional references will be announced in class.

1. Money Supply Process

Delong *et. al.*: Chapter 7
Abel *et. al.*: Chapters 7 and 14

2. Quantity Theory for Closed and Open Economies

Delong *et. al.*: Chapters 7 and 16
Abel *et. al.*: Chapter 7, Section 7.5

3. Monetary Policy Goals:

Delong *et. al.*: Chapters 7, 12 and 14
Abel *et. al.*: Chapter 13, Section 13.3

4. Taylor Rule, Liquidity Traps and Deflation:

Delong *et. al.*: Chapters 10 and 12

5. The Sticky Price Model:

Delong *et. al.*: Chapters 5, 8, and 9
Abel *et. al.*: Chapters 4, 5 and 10

6. New Classical versus New Keynesian Theories:

Delong *et. al.*: Chapter 10
Abel *et. al.*: Chapters 11 and 12

7. Inflation and Unemployment:

Delong *et. al.*: Chapters 10 and 11
Abel *et. al.*: Chapter 13

8. Economic Fluctuations and Policy Institutions:

Delong *et. al.*: Chapters 12 and 14

Abel *et. al.*: Chapter 14