

**York University**  
**Faculty of Liberal Arts and Professional Studies**  
**Department of Economics**

**Course Name and Term**

AP/ECON 3430N Monetary Economics I: Financial Markets and Institutions - Winter 2022

**Pre-requisites**

AP/ECON 1010

**Course Webpage**

<https://moodle.yorku.ca>. I will post lecture notes, and other material on the course webpage.

**Course Instructor**

Professor: *Georgios (George) Stefanidis*

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Lecture Hours and Location: *Monday*

## **Extended Course Description**

This course is an introduction to Monetary Economics. We first build a theoretical framework that makes sense of the presence of fiat currency, i.e., money. Through the lens of this framework we study various economic institutions and tradeoffs related to money. A deeper understanding of such institutions (e.g., central and retail banks) and tradeoffs (e.g., holding money vs capital) are important additions to a macroeconomist's toolkit. In addition, methodological tools acquired in this course are extremely helpful for other economics classes.

## **Required Textbook**

Champ, B., Freeman, S., and Haslag, J. Modeling Monetary Economies, Cambridge University Press, Fourth Edition 2016

## **Topics**

- **Chapter 1** Trade without Money: The Role of Record Keeping
- **Chapter 2** A Simple Model of Money
- **Chapter 7** Capital
- **Chapter 8** Liquidity and Financial Intermediation
- **Chapter 9** Central Banking and Money Supply
- **Chapter 10** Money Stock Fluctuations
- **Chapter 13** Bank Risk

## Evaluation

There will be a midterm and a final exam. The midterm will be held on **February 28**. The final exam will cover all material discussed in class. The date of the final exam will be determined by the Registrar's Office.

Let your scores on the midterm and final exam be  $m$  and  $f$  respectively. Your grade will be based on the following formula:

$$0.7 f + 0.3 \max \{ m , f \}$$

In other words, your midterm exam will only count if you do better in the midterm exam than in the final exam. In this case it will count for 30% of your final grade and the final exam will count for 70% of your final grade. Otherwise, your final exam will count for 100% of your final grade.

## Rules on Grading, Missed Tests and Exams

1. **No make-up exam** for the midterm exam. If you miss the midterm test for any reason, your final exam will have a weight of 100% of your final grade
2. The grades may be scaled to conform with the regulations of the Faculty of Liberal Arts & Professional Studies

## **Important Information for Students**

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Academic Standards, Curriculum & Pedagogy webpage (see Reports, Initiatives, Documents) - <http://secretariat-policies.info.yorku.ca/>

1. Senate Policy on Academic Honesty and the Academic Integrity Website
2. Ethics Review Process for research involving human participants
3. Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
4. Student Conduct Standards
5. Religious Observance Accommodation