

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

Course: AP/ECON3430 3.0B – Monetary Economics I: Financial Markets and Institutions

Course Webpage:

Term: Fall 2022

Prerequisite / Co-requisite: See undergraduate calendar

Course Instructor Contact

Instructor: John Paschakis
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Time and Location

Lectures: Tuesday & Thursday 8:30 am – 10:00 am (SLH A)
Office Hours: Monday 5:30 pm – 6:30 pm (1107 Vari Hall)
TA hours: TBA

Course Description

This course studies the principal financial institutions and markets in the Canadian economy. It analyzes the economic function, regulation, and operational features of these institutions and markets. It considers the corresponding institutions and markets in other countries.

Course Text / Readings

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

Instructor's lecture notes and practice material are posted on the moodle course website. Students should check the course announcements weekly for new information pertaining to the course material.

Weighting of Course

Evaluation

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

Midterm Exam (50%): Thursday, October 20, 2022 (offered during class time).
Final Exam (50%): Fall Examinations Dec. 8 –23.

Midterm Exam covers chapters 1 – 6.

Final Exam is cumulative and covers chapters 1 – 13 (Ch. 13, pp. 329 – 335).

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

Missed Tests

There will be no make-ups for the mid-term exams. Students absent from the mid-term exams 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 office hours will serve to enrich, clarify, and illustrate crucial issues from the assigned readings.

Course Learning Objectives

Topics to be covered

1. Why Study Money, Banking, and Financial Markets? Chapter 1
2. An Overview of the Financial System, Chapter 2
3. What is Money? Chapter 3
4. The Meaning of Interest Rates, Chapter 4
5. The Behavior of Interest Rates, Chapter 5
6. The Risk and Term Structure of Interest Rates, Chapter 6
7. The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis, Chapter 7
8. An Economic Analysis of Financial Structure, Chapter 8
9. Economic analysis of Financial Regulation, Chapter 9
10. Banking Industry: Structure and Competition, Chapter 10
11. Financial Crises, Chapter 11
12. Banking and the Management of Financial Institutions, Chapter 12
13. Risk management with Financial Derivatives, Chapter 13 (pp. 329-335: Swaps & Credit Derivatives)

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 Academic Standards, Curriculum & Pedagogy webpage (see Reports, Initiatives, Documents) -

<http://secretariat.info.yorku.ca/files/CourseInformationForStudentsAugust2012.pdf>

- Senate Policy on Academic Honesty and the 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

For courses that will be taught in-person from September 13 onwards, you may consider including the following health and safety language in your course syllabi, which was previously shared in the University's Resources and Pathways to Support Conflict Resolution:

As part of York's Community of Care Commitment, all members of the York community share in the responsibility of keeping others safe on campuses. In this class, as elsewhere on campus, students must comply with all University health and safety protocols, including:

- Self-screening using the YU Screen tool prior to coming to campus for any in-person activities
- Not attending in-person activities at any of York University's campuses/locations where you are feeling unwell or if you answer YES to any of the screening questions.
- Wearing masks or face coverings that completely cover the mouth, nose and chin while on campus
- Avoiding eating and drinking in classrooms, research and in shared spaces, where eating is explicitly not permitted (e.g., Libraries)
- Engaging in good hand hygiene
- Following instructions in designated spaces, as they pertain to giving space to one another and/or protocols for entry to and exit from classrooms, instructional and other shared spaces (e.g., Libraries), when applicable.

Information about COVID-19 health and safety measures can be found on the Better Together website. Le texte en français est disponible ici:
<https://www.yorku.ca/bettertogether/?lang=fr>