

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

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

**Term:** Fall Term 2026/27

**Prerequisite / Co-requisite:** AP/ECON1000, AP/ECON1010

---

**Course Instructor:**

Professor Chaoran Chen

Office: 1034 Vari Hall

Email: [chenecon@yorku.ca](mailto:chenecon@yorku.ca)

Course website: eClass. Check the web site regularly for course announcements, notes, and exercises.

**Course Material Delivery Method:**

Please note that this is a course with in-person interactions and activities on campus.

**Lectures:** Fridays 2.30pm—5.30pm at DB0014.

**Office hour:** by appointment.

**Required Textbook:** Frederic Mishkin, Apostolos Serlitis: *The Economics of Money, Banking, and Financial Markets*, 8th Canadian Edition, Pearson Publishers.

**Problem Sets:** I will post problem sets regularly. Working out the problem sets will be crucial in preparing for your exam. I will discuss the solution to the problem sets in class, while the solution will NOT be posted online.

**Course Description:**

The study of money and banking includes the study of the role and function of monetary aggregates in the economy, and the study of financial markets. This course will employ economic principles to organize and analyze the structure of financial markets. This course will also study the role of the central bank, which includes its use of monetary policy to control growth and fluctuations in the Canadian economy through the chartered banking system. Furthermore, given the high degree of global financial market integration, we will also investigate the links between Canada's financial system and the international financial system.

**Evaluation:**

Let M = your mark from the mid-term exam and F = your mark from the final exam. Your grade will be determined by the following formula: Total mark = Max (0.4 M + 0.6 F, F).

- Midterm date: October 9 in class.
- There will be no make-up mid-term exam. Students absent from the mid-term exam will have the weight transferred to their final exam.
- The final exam will cover all material discussed in this course. The date of exam will be scheduled by the Registrar's Office.
- 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 Department of Economics to my attention. Please use the following link for deferred exam application: <https://www.yorku.ca/laps/econ/undergraduate-programs/academic-resources/departement-policies/deferred-standing/>. The date and time of the deferred exam will be set later.

Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

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

### **Tentative Course Schedule**

Lecture 1: Introduction  
Mishkin Chapters 1, 2, and 8

Lecture 2: What is money?  
Mishkin Chapter 3

Lecture 3: The bond market and interest rates  
Mishkin Chapters 4, 5, and 6

Lecture 4: The stock market and the efficient market hypothesis  
Mishkin Chapter 7

Lecture 5: Bank management and banking crisis  
Mishkin Chapters 9 and 12

Lecture 6: Central banks and money supply  
Mishkin Chapters 14 and 15

Lecture 7: Monetary policy  
Mishkin Chapters 16, 17, and 25

Lecture 8: International finance  
Mishkin Chapters 18 and 19

### **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-policies.info.yorku.ca/>

- 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

Explore York University's [Registrar's Office](#) to find a list of important dates, such as class start/end dates, drop deadlines, holidays and more.