UNIVERSITY OF VICTORIA

ECONOMICS 406

Instructor: Fatemeh Mokhtarzadeh Summer 2017
Class: TWF. 10:30 a.m.-12:20 p.m., Fine Arts Building 103
Office: BEC 388
Hours: Th 10:30-11:30 am or by appointment
Email: fatemehm@uvic.ca
Web page: CourseSpaces

Description:
This course is an introduction to modern monetary economics. Monetary economics is a vast subject with a rich history. Rather than superficially survey many disparate theories, this course uses the Overlapping Generations (OLG) model to develop an integrated approach. The OLG model explicitly specifies preferences, production and equilibrium. It was originally developed by Samuelson (1958) to study monetary issues. Many theorists regard the OLG model as the paradigm model for intertemporal general equilibrium and macroeconomic analysis. Students will learn to analyze monetary issues in a dynamic general equilibrium framework. Students are expected to be comfortable with unconstrained and constrained optimization tools and methods.


Grade Determination: There will be three assignments, two mid-term tests and a final exam:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weightage</th>
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<tbody>
<tr>
<td>Assignments</td>
<td>15% TBA</td>
</tr>
<tr>
<td>Mid-term exam 1</td>
<td>20%</td>
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<tr>
<td>Mid-term exam 2</td>
<td>20%</td>
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<tr>
<td>Final examination</td>
<td>45% (65%)</td>
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Note:
- You have to solve the assignments in groups up to 3 student and hand in only one copy per group.
- Make-up midterms will not be given. If you do better on the final exam than your worst midterm, I will shift the weight from that midterm to the final (in which case the final exam will have weight of 65%). The Final is cumulative covers material
from the entire course. To pass the course, you have to at least take one midterm exam.

**Mid-Term Examinations:** About 1.5 hour in Class.
**Mid-Term Examination I:** Friday, 26th May.
**Mid-Term Examination II:** Friday, 16th Jun.
**Final Examination: Duration:** Two hours, Friday, 30th Jun.

**OUTLINE**

1. Math Introduction and The Basic Model (Ch. 1)
2. Money Growth and Inflation (Ch.3)
3. Inflation and Output (Ch. 5)
4. Money and Capital (Ch. 6)
5. Liquidity and Financial Intermediation (Ch. 7)
6. Bank Risk (Ch. 12)

*Possible Alternate/Extra Topics*

8. Central Banking and Money Supply (Ch.8)
9. Money Stock Fluctuations (Ch.9)

**Some Important Comments**

1. Plagiarism and Cheating: Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Students who are found to have engaged in unethical academic behavior, including the practices described on page 31 of the Calendar, are subject to penalty by the University."

2. Policy on Inclusivity and Diversity: The University of Victoria is committed to promoting, providing and protecting a positive and safe learning and working environment for all its members. (UVic Calendar, p. 11)"

3. Travel Plans: Students are advised not to make travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period (see the University Calendar). There will be no special accommodation if travel plans conflict
with the examination.

4. Letter Grading: **Numerical Score / Letter Grade Equivalency:**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Numerical Score</th>
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<tbody>
<tr>
<td>A+</td>
<td>≥90</td>
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<tr>
<td>A</td>
<td>85-89</td>
</tr>
<tr>
<td>A-</td>
<td>80-84</td>
</tr>
<tr>
<td>B+</td>
<td>75-79</td>
</tr>
<tr>
<td>B</td>
<td>70-74</td>
</tr>
<tr>
<td>B-</td>
<td>65-69</td>
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<tr>
<td>C+</td>
<td>60-64</td>
</tr>
<tr>
<td>C</td>
<td>55-59</td>
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<tr>
<td>D</td>
<td>50-54</td>
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<tr>
<td>F</td>
<td>&lt;50</td>
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This is a modeling course and the assignments and midterms, for the most part, test your ability to do analytical problems. You may be allowed a short *handwritten* crib sheet (to be described) for the quizzes and exams.

5. Academic Concession for work that will be completed before course grades are submitted by the instructor: A student whose academic performance is affected by injury, family or personal affliction, or illness should immediately consult with University Counseling Services, University Health Services, or another health professional, and may request, directly from the course instructor, deferral or substitution of a mid-term test or examination, or of other work which is due during the term. This request must be accompanied by supporting documentation from the health professional and must specifically cover the date of the missed examination or assignment deadline. It should normally be dated on or before the exam/deadline date and be submitted to the instructor within 10 days of this date. All work for which a Concession is approved must be completed before course grades are submitted by the instructor.

6. DEF Grade: Students who have not completed all course requirements at the time of grade submission are advised to obtain a Request for Academic Concession form for a DEF grade.

7. E-Mails: Emails should be limited to critical matters, such as inability to attend class, an exam, or prolonged illness, and should include the course name and number in the subject line. Questions on course material should be asked during office hours or in class. The standard format for writing a letter must be used. This means it should start off with a salutation (e.g. Dear.), include full sentences and conclude with a signature that includes your name (e.g. "Sincerely, your full name). Text message lingo should not be used.


9. It is the responsibility of students to check their registration status and keep it up to date.

10. From time to time there will be other announcements and they will be posted on the course web page. It is the responsibility of students to visit the course web-page regularly.