

ECON 305 A01

Money and Banking

Summer Session: 2025 05 – Term 02, CRN 31196, Contact hours (classes) 3, Tues. Wed., Fri.; 4:30 pm-6:20 pm. Cornett Building B108

UVic Land Acknowledgement

We acknowledge and respect the Lək'wəŋən (Songhees and X̱wsepsəm/Esquimalt) Peoples on whose territory the university stands, and the Lək'wəŋən and W̱SÁNEĆ Peoples whose historical relationships with the land continue to this day.

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Office Hours: By appointment (online or in-person)

Course Content

This course is an introduction to monetary and financial economics with special reference to the Canadian economy. The aim is further your understanding of the role of financial assets and institutions and how they affect the economy.

This is a challenging course! -- it covers micro money and banking and macro modelling and policy. This involves learning different types of models and theories as well as lots of institutional facts. If you work hard in this course, you will be rewarded with a foundation for understanding key connections between the study of monetary theory and policy (ECON 104, 204, 306, 406), corporate finance (COM 240, ECON 454), industrial organization (ECON 310A), and asset pricing (ECON 435).

Course prerequisites/corequisites

Econ 103 and Econ 104. Please see. <https://www.uvic.ca/socialsciences/economics/assets/docs/2024-pre-requisite-guide-to-econ-courses.pdf>

Textbook

Textbook: Mishkin, F.S. and A. Serletis, *The Economics of Money, Banking, and Financial Markets*, 8th Canadian edition, Pearson Education Canada Inc., Toronto, 2023 (we won't be relying on MyLab, so buy either the physical text or the e-text.)

Buy the textbook in-person or online through the UVic Bookstore (please not through the publisher). The Bookstore anyway offers the best value. [The 7th edition is not drastically different. However, the page numbers, exercises, etc. are based on the 8th edition and if use the 7th edition it is up to you to figure out the differences and be responsible for possible omissions/changes.

Brightspace

Brightspace is used extensively for the course. All students are expected to be fully functional with the system. The lecture notes will be posted in *Brightspace*.

All announcements will be posted in *Brightspace*. Students are advised to check it frequently.

Grading Scheme

The course grade is determined as follows:

- 4 Quizzes (Bright spaces), each carrying a weight of 5%
- 2 in-person midterms, each carrying a weight of 25%
- In-person final exam, carrying a weight of 30%

Mandatory/Essential Course Components

All exams are essential course requirements, meaning, they must be attempted in order to pass the course. Failure to complete either the midterms or the final exam will result in a grade of "N" regardless of the cumulative percentage on the course. N is a failing grade and factors into GPA as a value of 0.

Make-up exams and quizzes are not a right, but students with a valid reason for missing a test, and who have communicated this to me correctly and in time (see "Missing Assessments"), may be given an opportunity to write a retake test.

Attendance: Your attendance in class is expected (and active participation is much appreciated!) I will likely monitor class attendance, at least from time to time. Yet, this is really just for me to learn to what extent attendance matters and the gauge whether students are on track: attendance will not gain you any marks and missing classes will not cost you any marks. If you miss a class, then there is no need to let me know.

Dates of Assessments

Quizzes	20%	TBD (pls see Brightspace)
Midterm 1	25%	Wed. May 27 th at 4:30 pm in class
Midterm 2	25%	Wed. June 13 th at 4:30 pm in class
Final Exam	30%	Fri. June 27 th at 4:30 pm in class
	100%	

Students are advised not to make work, or travel plans prior to the exams.

Grading Scale

A+	90-100%
A	85-89%
A-	80-84%
B+	77-79%
B	73-76%
B-	70-72%
C+	65-69%
C	60-64%
D	50-59%
F or N	0-49%

Students should review the University's more detailed [summary of grading](#).

Missing Assessments

Should students encounter a situation where they miss an exam or cannot submit an assignment/quiz by its due date, they may qualify for an academic concession. Students are required to specify the grounds for requesting an academic concession and provide a justification explaining how the circumstances impacted their ability to complete course requirements. Consideration for missed examinations may be given on the basis of a timely and correctly reported valid reason, including illness, an accident or a family affliction. If you miss one of the tests for a valid reason then I require that you let me know by the time of the test at the very latest. Failure to do so on time will typically preclude any possible academic concession.

In case you believe you may have a valid reason for missing a test, then (i) contact me ASAP by email no later than by the time of the test and (ii) explaining the reason (iii) for in-course extensions, please [fill in the form and follow the instructions on the form](#)". In case you miss the final exam, fill in a [request for a deferral](#). I will not respond to informal requests of academic concessions.

Waitlist Policies

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not participate as specified in this outline during the first 7 calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

Academic Integrity

Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the [Policy on Academic Integrity](#) in the University Calendar, is subject to penalty by the University.

The University reserves the right to use a plagiarism software to detect violations of academic integrity.

Appeals

Depending on the nature of your concern, the order in which you should normally try to resolve the matter is:

1. Me, the course instructor
2. the Associate Chair: econassoc@uvic.ca
3. the Associate Dean of Academic Advising
4. the Senate.

If you're seeking a formal review of an assigned grade, you should also consult the regulations in the academic calendar regarding [review of an assigned grade](#)."

[Include your process of dealing with grade inquiries on assignments and exams. E.g, "I only respond to grading inquiries in writing. You must file your question within 1 week of issuance of your grade and the release of the answer key. Do not approach me after class to discuss grading concerns."]

University Policies and Statements

Please note that this course is executed in a manner consistent with these University statements and policies.

- a. University Calendar - Section "[Information for all students](#)"
- b. [Creating a respectful, inclusive and productive learning environment](#)
- c. [Academic Integrity](#)
- d. [Academic Concession Regulations](#), [Academic Concession and Accommodation](#), Academic Accommodation – [Policy AC1205](#)

- e. [Accommodation of Religious Observance](#)
- f. [Student Conduct](#)
- g. [Non-academic Student Misconduct](#)
- h. [Accessibility](#)
- i. [Diversity / EDI](#)
- j. [Equity statement](#)
- k. [Sexualized Violence Prevention and Response](#)
- l. Discrimination and Harassment [Policy](#)

Resources for students

- a. [Student wellness](#)
- b. [Centre for Accessible Learning](#)
- c. [UVic Learn Anywhere](#). UVic Learn Anywhere is the primary learning resource for students that offers many learning workshops and resources to help students with academics and learning strategies.
- d. [Library](#) resources
- e. Centre for Academic Communication ([CAC](#))
- f. Learning Strategies Program ([LSP](#))
- g. [Academic Advising](#)
- h. Economics Undergraduate Advising: ecadvice@uvic.ca
- i. [Student Awards and Financial Aid](#)
- j. [International Student Advising](#)
- k. Indigenous student services ([ISS](#))
- l. [Student groups and resources](#) including UVic [Ombudsperson](#)

Student Experience of Learning (SEL) Survey

I value your feedback on this course. Towards the end of term, you will have the opportunity to complete a confidential SEL survey regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

Course Structure

The following outline of topics and readings is tentative. Please refer to BrightSpace for updated topics and readings. Chapter references refer to the textbook. Other notes and references will be posted on the BrightSpace as the term progresses

Part 1 Money

1. Evolution of Money (handout); History of the Canadian Dollar
2. What is Money? (Ch. 3)
3. Why Study ... (Ch. 1; Why Study Money and Monetary Policy)

Part 2 Financial Markets

1. Why Study ... (Ch. 1 up to: Why Study Money and Monetary Policy)
2. An Overview ... (Ch.2 up to: Function of Financial Intermediates: Indirect Finance)

3. The Meaning of Interest Rates (Ch. 4);
4. The Behaviour of Interest Rates (Ch. 5)
5. The Risk and Term Structure of Interest Rates (Ch. 6) (optional);
6. Stock Prices and Discounted Dividend Model (Ch. 7)

Parts 3&4 Financial Institutions, and The Management of Financial Institutions

1. An Overview ... (Ch.2; from Function of Financial Intermediates ...)
2. An Economic Analysis of Financial Structure (Ch.8)
3. Banking and the Management of Financial Institutions (Ch. 12)

Part 5 Central Banking and the Conduct of Monetary Policy

1. Central Banks and the Bank of Canada (Ch. 14)
2. The Money Supply Process (Ch. 15)
3. Tools of Monetary Policy (Ch. 16)
4. The Conduct of Monetary Policy: Strategy and Tactics (Ch. 17)

Part 6 Monetary Theory

5. Quantity Theory, Inflation and the Demand for Money (Ch. 20) Aggregate Output, the Price Level, and Inflation (Ref. Ch. 1 Appendix); Money, Inflation and the Quantity Theory of Money (Ref. Ch. 20)

E-mail Correspondence

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 begin with a salutation (e.g. Dear....), include full sentences and it must conclude with a signature that includes your **full name and V#**. Text message lingo should not be used.

Electronic Devices

You can only use a basic non-programmable calculator during the exam.