



# University of Victoria

Course Syllabus  
Department of Economics  
ECONOMICS 406  
Monetary Economics  
Summer 2022 (A01)

**Instructor:** Dr. Fatemeh Mokhtarzadeh

**E-Mail:** fatemehm [at] uvic.ca

**Class Time:** 4:30 pm-6:20 pm TWF

**Location:** DTB - A120

**Office Hours:** By appointment

**Emails:** Check at least once a day. Emails (i) must have logical subject headers starting with “Econ 406” and (ii) include your name in the body of the message. The expectation is that correctly-sent emails (by a student or the teacher) are answered within 24 hours.

## Course 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.

**Recommended Textbook:** (Not Mandatory) Champ, B., S. Freeman, and Haslag J. (2016), Modeling Monetary Economics, 4th Edition, Cambridge Press. ISBN: 9781316535486

## Grade Determination:

Quizzes (4 x 5%) 20% (TBA)

Mid-term exam 30% (July 27<sup>th</sup>)

Final examination 50% (Aug. 19<sup>th</sup>)

**Note:** The quizzes are in the form of multiple-choice style through BrightSpace. Both midterm and the final are required components of the course and further information about the exams will be posted on course website.

You must do all the evaluation components to complete the course.

## TENTATIVE OUTLINE

1. Math Introduction
2. Trade Without Money: The Role of Record Keeping (Ch. 1; page 1-17)
3. A Simple Model of Money (Ch. 2)
4. Inflation (Ch.4)
5. Capital (Ch. 7)
6. Liquidity and Financial Intermediation (Ch. 8)
7. Central Banking and Money Supply (Ch.9)
8. Liquidity Risks and Bank Panics (Ch.13)

### Possible Alternate/Extra Topics

9. Price Surprise (Ch.6)
10. Money Stock Fluctuations (Ch. 10)
11. Fully Backed Central Bank Money (Ch.11)

### Some Important Comments

- 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."
- 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)"
- Letter Grading: **Numerical Score / Letter Grade Equivalency:**

A+	≥ 90	B+	75-79	C+	60-64	F	<50
A	85-89	B	70-74	C	55-59	(No E grades.)	
A-	80-84	B-	65-69	D	50-54		

All exams are essential course requirements, meaning, you must be attempted in order to pass the course.

- 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.

- 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.
- 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.
- Course Policies: The University and the Departmental course policies can be found at <https://www.uvic.ca/socialsciences/economics/undergraduate/home/course%20policies/index.php>
- It is the responsibility of students to check their registration status and keep it up to date.
- 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.
- 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.

**Important Note:** I value your feedback on this course. Towards the end of term, you will have the opportunity to complete a confidential course experience survey (CES) 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. When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to <http://ces.uvic.ca>. You will need to use your UVic NetLink ID to access the survey, which can be done on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

1. What strengths did your instructor demonstrate that helped you learn in this course?
2. Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
3. Please provide specific suggestions as to how this course could be improved.