This course will cover several topics in monetary theory and policy such as the role of money and financial intermediaries in the economy, cost of inflation, the stability of financial system, and the Great Recession and conventional and unconventional monetary policies. These issues will be analyzed formally using the overlapping generations (OLG) model. The OLG model is one of the leading monetary models used frequently by the economists and the policy makers. 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 Textbooks:


Grading:

Grading will be based on two assignments, two mid-term examinations, and a final examination. Weights: Assignments – 20%, Mid-Term Examinations – 40%, Final Examination – 40%.

Note: Assignments and examinations must be written in ink (or typed in the case of assignments).
Assignments: Assignments will be given on Fridays and they will be due on following Friday. Please drop off your assignment in the drop-off box marked Econ 406 (located in front of the main Economics department office) by 4 p.m. of the due date. Late submissions will not be marked.

Mid-Term Examinations: Duration: 1 Hour, Location: In Class.
Mid-Term Examination I: Wednesday, 3rd October.
Mid-Term Examination II: Wednesday, 7th November.
Final Examination: Duration: Two Hours, Location and Time TBA.

I will cover following chapters from the text-book. I will post the lecture slides, assignments, their solutions, and past exams on the course web-page.

Topics/Chapters:

Math Preliminaries: Lecture Note/Slides
Chapter 1: Trade Without Money: The Role of Record Keeping, pages 3-17.
Chapter 2: A Simple Model of Money
Chapter 4: Inflation, pages 67-77
Chapter 7: Capital
Chapter 8: Liquidity and Financial Intermediation
Chapter 13: Bank Risk
The Great Recession, Monetary Policy and Instability of Financial System: Lecture Note/Slides

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.” The Library web-site has an excellent description of plagiarism which you may wish consult http://library.uvic.ca/site/lib/instruction/cite/plagiarism.html.
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)”

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.

Letter Grading: Numerical score (%) equivalencies used in the Department are as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>≥ 90%</td>
</tr>
<tr>
<td>A</td>
<td>85-89%</td>
</tr>
<tr>
<td>A-</td>
<td>80-84%</td>
</tr>
<tr>
<td>B+</td>
<td>77-79%</td>
</tr>
<tr>
<td>B</td>
<td>73-76%</td>
</tr>
<tr>
<td>B-</td>
<td>70-72%</td>
</tr>
<tr>
<td>C+</td>
<td>65-69%</td>
</tr>
<tr>
<td>C</td>
<td>60-64%</td>
</tr>
<tr>
<td>D</td>
<td>50-59%</td>
</tr>
<tr>
<td>F</td>
<td>&lt; 50%</td>
</tr>
</tbody>
</table>

For the grading scale and expectations, please see http://web.uvic.ca/calendar2017-05/undergrad/info/regulations/evaluation.html#.

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.

8. Course Policies: The University and the Departmental course policies can be found at http://web.uvic.ca/econ/undergraduate/course_policies.php

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.

   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.