Course Syllabus
Department of Economics
ECONOMICS 305
Money and Banking
Course CRN (31121)
Summer, 2019 (Term 2)

Instructor: Dr. Omar Saleh
Office: BEC 312
E-Mail: osaleh [@] uvic.ca

Class Information
Lecture time: Tue, Wed, Fri; 10:30 am-12:20 pm.
Location: Cornett Building, Room B143.
Office Hours: Tuesday 12:30 pm-2:00 pm.

Course Description
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).

Texts/Materials

The text is available in the UVic Bookstore and comes wrapped with MyLab. We will use MyLab so you'll need to access it if you buy the text separately; it should be available from the bookstore and the Pearson website (search for the text and look for eLearning & Assessment to purchase it.)
The following outline of topics and readings is tentative. Please refer to CourseSpaces for updated topics and readings. Chapter references refer to the textbook. Other notes and references will be posted on the CourseSpaces as the term progresses.

**Part 1 Money**
1. Evolution of Money; 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);
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)
4. Financial Crisis (Ch.9)

**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)

**Part 6 Monetary Theory**
1. 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)
   The Foreign Exchange Market (Ch. 18, p. 461-466)
2. The IS Curve (Ch. 21)
3. The Monetary Policy and Aggregate Demand Curves (Ch. 22)
**Grading**
Your final grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MyLab</td>
<td>10%</td>
</tr>
<tr>
<td>Midterm</td>
<td>45%</td>
</tr>
<tr>
<td>Final examination</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The MyLab chapter quizzes offer ongoing review. The first set of MyLab (ML) chapter quizzes is due on **Monday May 20 by 9:00 pm**. Subsequent chapter quizzes are usually due on **Mondays at 9:00pm**. If you miss any quiz you will receive a zero on that quiz with no exceptions. You are responsible for tracking and identifying any problems with your completing the assignments on time. It is easy to do well on ML quizzes. Warning – quickly reviewing the ML quizzes is not sufficient to do well on the exam multiple-choice questions! All exams are essential course requirements, meaning, they must be attempted in order to pass the course.

Course letter grade - numerical score (%) equivalencies used at UVic are as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>90-100</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>C-</td>
<td>50-59</td>
</tr>
<tr>
<td>D</td>
<td>0-49</td>
</tr>
</tbody>
</table>

**Policies**

This course adheres to the Undergraduate Course Policies of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Students with a disability
- Term assignments and debarment from examinations
- Travel plans

Further information related to policies:

**Department policies** regarding academic integrity, attendance, grading, academic concessions, travel plans, students with a disability, and inclusivity and diversity, are detailed at: [http://www.uvic.ca/socialsciences/economics/undergraduate/home/courses/course-policies.php](http://www.uvic.ca/socialsciences/economics/undergraduate/home/courses/course-policies.php).
Course Experience Survey (CES)

I value your feedback on this course. Towards the end of term, you will have the opportunity to anonymously complete the CES. 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.

If you do not receive an email invitation to complete the CES, you can go directly to [http://ces.uvic.ca](http://ces.uvic.ca). 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.

Examinations

Attendance at all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. Make-up midterm will be given only if you miss a midterm and upon providing proper documentation within 7 days, otherwise you will get a zero on that midterm.

In the event of a missed final examination, students are advised to follow the procedures outlined in the University Calendar: [https://web.uvic.ca/calendar2017-05/undergrad/info/regulations/concessions.html#](https://web.uvic.ca/calendar2017-05/undergrad/info/regulations/concessions.html#)

Students are advised not to make work or 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. There will be no special accommodation if travel plans conflict with the examination.

During the exams:

1. Student I.D. will be required.
2. Calculators are allowed, including financial calculators; no other electronic devices including cell phones are allowed.
3. You may be allowed a short handwritten crib sheet for exams; details to follow.
4. Dictionaries are not permitted.

Waitlist Policies

- Enrolment limits are determined by classroom capacity. Instructors have no discretion to raise the cap or admit waitlisted students. While waiting for enrolled students to drop, waitlisted students must attend all classes and submit assignments according to the normal deadline.
- Enrolled students who do not show up in the first three lectures may lose their seats. Enrolled students who decide not to take the course are responsible for initiating their dropping out of the course, and are urged to do so as promptly as possible out of courtesy toward waitlisted students.
- For further information, please refer to the undergraduate advisor.
**Classroom Etiquette**  
Please try to make it to class on time and behave politely and professionally. Do not disturb or distract your fellow students or the instructor. If you need to leave the class early, please mention it to me and sit by an aisle towards the back.

**Academic Integrity**  
Please browse [What is Plagiarism](#) for the definition of plagiarism.

**Language**  
English is the language of instruction at the University and for all aspects of this course.

**E-mail**
- You may contact me at my U Vic email address. Please include both your legal name (the name in the university records) and course title in the subject of your email. Your V# (student ID) must be included in the body of the email. Without such information, it is sometimes hard for the instructor to understand the nature of your queries. Please avoid inappropriate nicknames, email ids and signatures. Text message lingo should not be used.
- You should contact me by email primarily on matters that relate to your personal participation, e.g. you have a medical condition that prevents you from taking an exam. It is best to raise questions related to course materials in class or in person during office hours. You may ask simple short questions via email; however, I may answer directly or I may reply telling you that I will cover that in class or it is best to explain the question in person. E-mail is a terribly inefficient way of communicating with these types of issues. General administrative matters such as the arrangement and the format for the assignments or exams will ONLY be discussed in class and no answers will be provided via email on these issues.

**Documentation of Academic Concessions for Medical Reasons**
- When there is a medical condition, you should inform me as early as possible and bring the formal doctor’s note within 7 days or when your health permits.
- If you see a doctor off-campus, lease ask the doctor to complete the appropriate medical form and attach their letterhead with contact information.
- In the case of a missed final exam, the university procedure is for the student to submit a Request for academic Concession form to Undergraduate Records and they will schedule the deferred exam.