

Monetary Economics

ECO-ISS305

Course Description

Monetary economics investigates the structure of the financial system, the institutions and customs of that system, and the role of money in the economy.

Required Texts

Modeling Monetary Economies 3rd Edition by Bruce Champ, Scott Freeman and Joseph Haslag

More readings will be provided during class

Prerequisite

Intermediate Microeconomics and Intermediate Macroeconomics

Course Assessment

Details	Course Weight
Midterm Exam	25%
Final Exam	40%
Homework	20%
Quizzes	15%

Learning Outcomes

- Learn the nature and historical development of monetary institutions
- Understand determinants of supply and demand for money
- Analyze effects of monetary disturbances on money
- Examine monetary policy alternatives

Evaluation and Grading

A	93-100	B-	80-82	D+	67-69
A-	90-92	C+	77-79	D	63-66
B+	87-89	C	73-76	D-	60-62
B	83-86	C-	70-72	F	0-59

Course Hours

The course has 20 class sessions in total. Each class session is 150 minutes in length, for a total of 3000 minutes of in-class time. Students are expected to spend 15-20 hours per week outside of class. The University awards **4** credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

Attendance

Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. The University's policy requires a medical certificate to be excused. Any absence may impact on the student's grade. Moreover, **the University's policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

Academic Honesty

The University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

Disability Accommodation

Any student who needs special accommodation due to the impact of disability should inform the University within 10 days before the program starts.

Course Topics

Lecture	Topics	Textbook Readings
1	• Introduction and Overview	
2	• A simple model of money	Ch 1
3	• Barter and commodity money	Ch 2
4	• Inflation	Ch 3
5	• International monetary systems	Ch 4
6	• Price surprises	Ch 5
7	• Capital	Ch 6
8	• Liquidity and financial intermediation	Ch 7
9	• Review for Midterm	Ch 8
	<i>Midterm Exam</i>	
10	• Money stock fluctuations	Ch 9
11	• Fully backed central bank money	Ch 10
12	• The payments system	Ch 11
13	• Bank risk	Ch 12
14	• Liquidity risk and bank panics	Ch 13
15	• Deficits and the national debt	Ch 14
16	• Savings and investment	Ch 15
17	• The effect of the national debt on capital and savings	Ch 16
18	• The temptation of inflation.	Ch 17
19	• Financial Crisis	Handouts
20	• Review for Final Exam	
	<i>Final Exam</i>	