

We recognize with respect the WSANEC (Saanich), Wyomilth (Esquimalt), and Lkwungen (Songhees) peoples on whose territories the University of Victoria stands and whose relationships with this land remain profound today.

Course Outline
Econ 406-A01
Monetary Economics (CRN:11133)
Fall 2024

Instructor: Alok Kumar

Office: BEC 334

Class: Monday and Thursday, 16:30 -17:50, Room DSBC 108

Office Hours: Tuesday, 11:00-13:00, BEC 334

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T.A.: TBA

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T.A. Office Hours: TBA

- Learn the causes and consequences of instability in financial markets and bank-runs.

Required Reading Material

Text-Book { Macroeconomics, 6th Canadian Edition by Stephen D. Williamson, Pearson Canada, 2021, along with its **mathematical appendices**.

Lecture notes and slides.

Important Remark:

1. It is an advanced undergraduate course. One of the goals of this course is to learn to develop formal economic models and to use them for the analysis of monetary issues. The mathematical appendices of the text-book and lecture notes and slides develop and provide required mathematical and econometric methods and models. Students are expected to carefully go through these material and learn them.
2. The text-book comes with online **MyLab Economics** resource (<https://mlm.pearson.com/northamerica>). Students can complete the end-of-chapter problems and receive feedback and tutorial help using this resource.

Grading :

Grading will be based on one take-home assignment, three in-class exercises, a mid-term examination and a final examination. Weights: Take-Home Assignment { 15%, In-Class-Exercises { 15%, Mid-Term Examination { 25%, Final Examination { 45%.

In order to pass this course students must write the final examination and mid-term examination. All examinations will be **closed-book** examinations.

Mid-Term Examination: Duration: 60 Minutes, 16:30-17:30, Monday, October 21st, in class.

Final Examination: Duration: 2 Hours TBA. The final examination will be cumulative and will be based on all the material covered in the course.

Take-Home Assignment: Due Date: Thursday, 26th September. The take home assignment must be submitted in class. I will **not accept Email submissions**. I will post the assignment on **Brightspace** at least two weeks before its due date. It must be **typed**. **Late submissions will not be marked.**

In-Class Exercises: In-class exercises must be done in class on the due dates given below. Students will get 30 minutes to complete these exercises towards the end of class. These exercises will be set such that they can normally be done within 20 minutes so that every student has sufficient time to answer them. I will post a set of questions and their solutions on **Brightspace** one week in advance on which in-class exercises will be based. This will allow students ample time to prepare for these questions. Students will be asked to answer a sub-set of these questions in class. Grades for in-class exercises will be based on the **best 2 out of 3**. Thus the best two in-class exercises will have weight of 7.50% each.

Due Dates:

1st in-class exercise: Monday, 23rd September

2nd in-class exercise: Thursday, 10th October

3rd in-class exercise: Thursday, 21st November

Important Remarks

1. If you miss the take-home assignment or any in-class exercise no make-up assignment/exercise will be given.
2. The use of AI is not permitted for doing take-home assignment. Should you violate this rule, you will have violated UVic's Policy on Academic Integrity available at https://www.uvic.ca/calendar/future/grad/index.php#policy=BJujesM_E and a complaint against you under this policy will be filed accordingly.
3. The assignment and in-class exercises will help you in learning the subject and prepare for examinations. However, they are not sufficient to do well in examinations and have a good grasp of the course material. Students are expected to go through all the reading material and regularly attend the lectures.

I will cover following chapters from the text-book. I will post lecture notes and slides on **BRIGHTSPACE**. I may add some more material as the course progresses.

Topics/Chapters:

1. Math Preliminaries: Lecture Note/Slides
2. Business Cycle Measurement
Chapter 3 and Lecture Note: Decomposing a time-series in long term and cyclical trends and characterizing business cycle.
3. A Real Inter-Temporal Model With Investment
Chapter 9: Pages 226-251, Chapter 11: Pages 289-327, Mathematical Appendix, Pages 529-533 and Lecture Note/Slides.
4. A Monetary Inter-Temporal Model: Flexible Price Model
Chapter 12: Pages 332-353, Mathematical Appendix: Pages 534-537 and Lecture Note/Slides.
5. Business Cycle: The New-Keynesian Model
Chapter 13: Pages 372-386 and Lecture Note/Slides.
6. Inflation: Phillips Curves
Chapter 14: Pages 390-399 and Lecture Note/Slides.
7. Money in the Open Economy: Flexible Exchange Rate
Chapter 16: Pages 439-450, Pages 464-466 and Lecture Note/Slides.
8. Bank Runs, Instability of Financial System and Unconventional Monetary Policies
Chapter 14: Pages 399-404 and Lecture Note/Slides.

Other Readings:

Williamson, S. D. (2020), "The Role of Central Banks", *Canadian Public Policy*, June 2020, 198-213.

Bernanke, Ben (2020), "The New Tools of Monetary Policy", *American Economic Review*, 110, 943-983.

Some Important Comments

1. **Grade Concerns:** Students who have questions or concerns regarding

7. **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.

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

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

For the grading scale and expectations, please see <http://web.uvic.ca/calendar201705/undergrad/info/regulations/evaluation/html#>.

9. **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.

10. **Course Policies:** The University and the Departmental course policies can be found at

https://www.uvic.ca/socialsciences/economics/undergraduate/undergraduate/courses/course_policies/4x/index.php.

This document summarizes departmental and university policies on 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 exams, end-of-term travel plans, waitlists, and sexualized violence prevention and response.

11. **E-Mails:** Emails should be limited to critical matters, such as inability

12. It is the responsibility of students to check their registration status and keep it up to date.

13. **Sexualized Violence Prevention and Response:** UVIC takes sexualized violence seriously, and has raised the bar for what is considered acceptable behaviour. Students are encouraged to learn more about how the university defines sexualized violence and its overall approach by visiting www.uvic.ca/svp. If you or someone you know has been impacted by sexualized violence and needs information, advice, and/or support please contact the sexualized violence resource office at 250-838-8000.

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