

Money  
ECONOMICS EC2154A-001  
Department of Economics  
Western University

Summer 2020

**General Information:**

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**E-mail Office hours:** Wednesday 3-5pm (EDT), Zoom/Collaborate office hours by appointment only  
**Classroom meeting time(s) & location:** --  
**Course website:** <https://owl.uwo.ca/portal>  
**Undergraduate inquiries:** 519-661-3507 or SSC Room 4075 or [econugrd@uwo.ca](mailto:econugrd@uwo.ca)

**Registration:**

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

**Prerequisite Note:**

The prerequisite(s) for this course is (are) **Economics 1021A/B** and **Economics 1022A/B** or **Economics 2001A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

**Course Objectives:**

This course is an introduction to financial markets, financial institutions and monetary policy. In the first part of the course emphasis will be placed on the application of economic analysis to understanding the determination of interest rates and asset prices. The second part of the

course will be concerned with central banking, inflation and wider issues currently facing monetary authorities worldwide.

### **Course Learning Outcomes:**

Upon completion of this course students will:

- Understand the basic mechanics of a monetary system
- Understand the communications of central bankers to the public and critically assess them.
- Be able to evaluate the importance of financial institutions in the wider economy.
- Be able to evaluate the linkage between the policies of central banks and financial markets.
- Gain exposure to risk management techniques used by financial institutions.
- Understand the current issues surrounding the regulation of banks

### **Textbook(s):**

The Economics of Money, Banking and Financial Markets, Miskin Frederic and Apostolos Serletis 6th Canadian edition, Addison Wesley, 2016 or the new 7th edition.

### **Grading:**

The distribution of the marks is as follows:

Quizzes	30%
Midterm	30%
Final	40%

The midterm is modular and the final is comprehensive. The material for all tests and exams consists of the topics covered in the text (see below), any assigned readings and the material covered in the lectures. Some of the topics covered in the lectures, including problems done in class, may not appear in the text. Students are reminded that they are responsible for this material.

The tests must be written on the assigned dates. A makeup midterm and final will occur within one week of the specified date for those students who have missed the test and followed the required process to obtain approval of the absence. Missed quizzes will have their weight transferred to the remainder of the quizzes if they have followed the required process to obtain approval of the absence.

Students who miss any assessments **must** follow Western University's procedures for approval of their absence in order to receive an accommodation. See the 'Please Note' section of this syllabus for details on these procedures. If Western University announces any procedures for the approval of absences during Summer 2020 that supplement or supplant the information provided on this syllabus, please follow those procedures.

### **Assignments**

There are no problem sets that you must hand in for marks. However, I do problems in class and assign problems from time to time. You are advised to do the problems and, more importantly, understand the meaning of the results and relevance of the problem solving

process. Often, but not necessarily, exam questions are loosely based on these examples. Additional readings may be assigned as the course progresses- THESE READINGS ARE SUBJECT TO EXAMINATION.

**Important Dates**

- Quiz 1 May 14
- Quiz 2 May 21
- Midterm May 28
- Quiz 3 June 11
- Quiz 4 June 18
- Exam June 29/30

**Exam Duration and Type**

All testing will be done online, probably through the OWL interface. Because of the nature of an online course, all tests will be open book but students are not permitted to share information or answers or to use outside sources. Such behavior will be checked for.

Quizzes are intended to ensure you are keeping up with the course content and will be a mix of multiple choice and numerical questions. The exact timing of the quizzes will be communicated in advance. You will have 30 minutes to complete the quiz once started.

The midterm and final will consist of essay style questions. The exact timing and length will be communicated to you on OWL in advance.

**Topics Covered and Readings:**

PLEASE NOTE ----the following list of topics and chapters is tentative. Deletions and additions, as well as the sequence of topics, may change as the course progresses. It is incumbent on course participants to be aware of these changes. Absence from class will not be accepted as an excuse for not knowing about any changes.

Introduction .....	Chapter 2
Money definitions and functions.....	Chapter 3
Behaviour of Interest rates.....	Chapters 4, 5
*Duration (introduction).....	Class notes
Term structure and Yield Curve.....	Chapter 6
Stock Markets.....	Chapter 7
Financial Institutions.....	Chapters 8, 9, 10
Risk Management.....	Chapters 12, 13
Central Banking .....	Chapter 14, 15
Monetary Policy.....	Chapter 16, 17
Monetary Theory.....	Chapters 20, 22, 23 24, 25 26

\* This topic may be taught out of sequence

**Copyright:**

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

**Please Note**  
**Department Policies for Summer 2020**

Remember that the University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at:  
<http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations”  
[http://www.uwo.ca/univsec/pdf/academic\\_policies/exam/administration.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf).
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as a notation on an official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at [http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page\\_20](http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20)).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the Student Academic Appeals section in the current Western Academic Calendar at:  
[http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page\\_14](http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14)  
Please note the relevant deadlines.

The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A checklist is provided at:  
[http://economics.uwo.ca/undergraduate/program\\_counselling/responsibilities\\_policies.html#appeals](http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals).

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following add and drop deadlines:

<b>Session</b>	<b>Deadline to Add a Course</b>
Distance Studies	Friday May 8, 2020
Intersession	Tuesday May 12, 2020
Summer Evening (first term)	Friday May 8, 2020
Summer Evening (second term)	Friday June 26, 2020

<b>Session</b>	<b>Deadline to Drop a Course</b>
Distance Studies	Monday June 15, 2020
Intersession	Monday June 8, 2020
Summer Evening (first term)	Monday June 8, 2020
Summer Evening (second term)	Monday July 20, 2020

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

### **Policy on Tests, Final Exams and on Missed Academic Responsibilities**

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Students must book travel arrangements AFTER final exam dates have been posted; travel is not an acceptable excuse for absence from a final exam.

Students who are temporarily unable to meet academic requirements due to extenuating circumstances can follow Western University procedures to request academic consideration through the following routes:

- a) Submit a Self-Reported Absence form if the conditions for submission are met (e.g., only for exams or assessments worth 30% or less of the course mark; not applicable to final exams; maximum one self-reported absence per summer term; see [link](#) for full list of conditions and info).

If the conditions for submission of a Self-Reported Absence form are not met, then:

- b) For medical absences, submit a Student Medical Certificate (SMC) signed by a licensed medical or mental health practitioner along with a request for academic consideration to Academic Counselling in the student's home Faculty (see [link](#) for full info) ; or
- c) For non-medical absences (e.g., religious or compassionate), submit appropriate documentation to Academic Counselling in the student's home Faculty (see [link](#) for full info).

It is strongly recommended that students notify their instructors as soon as possible. University policy is that students **must** communicate with their instructors no later than **24 hours** after the end of the period covered by either the self-reported absence or SMC, or immediately upon their return following a documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment to meet (virtually) with their instructor as soon as possible. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at [econugrd@uwo.ca](mailto:econugrd@uwo.ca).

Note: Academic consideration is not normally intended for long-term, recurring absences, an existing disability, or high levels of stress related to academic performance. In such cases, students should consult their academic counsellor. See [link](#) for full information.

In all cases, if the documentation submitted to request academic consideration is not acceptable, students will receive a grade of zero for the missed test, exam, or assignment.

**For full information about Western University’s policies and procedures for student absences and requests for academic consideration, please visit this [link](#).**

### **Policies Regarding Academic Accommodation**

The Faculty of Social Science’s policies regarding academic accommodation is found at [http://counselling.ssc.uwo.ca/procedures/having\\_problems/index.html](http://counselling.ssc.uwo.ca/procedures/having_problems/index.html).

“Academic Rights and Responsibilities” are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated procedures.

### **Policy Regarding Class Attendance**

If the instructor deems a student’s class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

### **Statement on Mental Health and Support Services**

Students under emotional/mental distress should visit [http://uwo.ca/health/mental\\_wellbeing/](http://uwo.ca/health/mental_wellbeing/) for more information and a complete list of resources on how to obtain help.