Course Details

**Time:** Tuesday and Thursday 11:30-12:50
**Location:** remote delivery
**Prerequisites:** ECON 214 and a junior course in calculus
Please note: A decent background in math and statistics (as conveyed in ECON 306 and ECON 304) will be an asset.
**Course Description:** An examination of recent developments in the field of monetary theory. Topics include market-clearing and non-market-clearing models of business cycle fluctuations, rational expectations, the policy ineffectiveness debate, and the time inconsistency of optimal policy.

**Academic Courses Policy:** [https://policies.usask.ca/policies/academic-affairs/academic-courses.php](https://policies.usask.ca/policies/academic-affairs/academic-courses.php)
**Website:** Some materials will be available on Blackboard.

Expected Learning Outcomes

This course introduces various ways of modelling monetary economies. It is designed to prepare students for graduate-level macroeconomics. Upon successful completion, students will have a good knowledge and understanding of the nature and role of money as well as the effects of monetary policy. They will be familiar with a number of important macroeconomic concepts, including dynamic general equilibrium models with infinitely lived households and overlapping generations, rational expectations, the Phillips Curve, and the New Keynesian framework.

Instructor

Andreas Pollak  Phone: 966-5221
Arts 812  E-mail: a.pollak@usask.ca (preface subject with "ECON411")
**Office Hours:** not this term - please contact me by e-mail
About the Course and Remote Delivery

Things will be a little different this term. The course will be delivered remotely, via video conferencing, during the usual class times. Details will be posted before classes start for us, which will be on January 12.

Regarding your assessment, there will be several homework assignments, a midterm exam and a final. We will write the midterm in a synchronous fashion and then decide on the format for the final. This could be a synchronous exam, a take-home exam, or a combination of the two. We will have a discussion and a vote on the format after the midterm.

Other than the delivery mode and the exams, the course will be taught as in normal years to the extent that this is possible.

Tutorials

There will be biweekly tutorial sessions starting in week 2 or 3 of the term. Further details will be announced at the beginning of the term.

Attendance is optional, but recommended.

In the tutorials, a teaching assistant will discuss assignments, solve problem sets, assist you in practicing for exams and answer your questions.

Course Outline and Readings

Most of the material is covered in:

Please note that the second edition of this book, which is almost identical to the current one, is available online through the library at https://ebookcentral.proquest.com/lib/usask/detail.action?docID=202238.
Where the second-edition chapter numbers are different, they are provided as [CFH2: xx].

Links to the other required readings will be posted online.

Additional references that are potentially of interest include:


OR will be put on reserve in the library, and the first edition of Handa is available online at https://ebookcentral.proquest.com/lib/usask/detail.action?docID=178648.

1. Introduction
   CFH, Chapter 3.1-3.4 [CFH2: 2]

2. Money as a Store of Value
   CFH, Chapters 1, 2, 16 and 4 [CFH2: 1, 14, 3]
   OR, Chapter 8.2
   Handa, Chapters 21, 22.1
3. Money and Other Assets
   **CFH, Chapters 7, 3.5 and 11 [CFH2: 6, 2, 10]**
   OR, Chapter 8.7
   Handa, Chapter 22.2-22.4
4. Government Financing
   **CFH, Chapters 15, 17 and 18 [CFH2: 13, 15, 16]**
5. Price Surprises
   **CFH, Chapter 6 [CFH2: 5]**
   Handa, Chapter 22.5
6. Money as a Medium of Payment
   **Williamson (1999): "Notes on Macroeconomic Theory", Chapter 8**
   OR, Chapter 8.3.1-8.3.6
   Handa, Chapters 3.3-3.14, 23.1-23.2
7. Sticky Prices and Monetary Policy
   Handa, Chapter 15.4
8. The International Monetary System
   **CFH, Chapter 5 [CFH2: 4]**
   OR, Chapter 8.4.2
   Handa, Chapter 21.10-21.11

Required readings for each topic are printed in **bold font.**
The course outline and reading list are preliminary and may be updated during the term.

| Evaluation |
|---|---|---|
| Component | Date | Weight |
| Assignments | TBA | 25% |
| Midterm Exam | March 11 | 25% |
| Final Exam | TBA | 50% |

There will be three components to your grade:

The weight of the midterm or assignment component will be shifted to the final if this results in a better overall grade.
Assignments: You will complete a number of assignments (approx. 4 to 5) during the term. If you receive help from any source (book, another person, website) you must acknowledge it on your assignment. Failure to do so may constitute academic misconduct. You will have at least one week to complete each assignment. While you are encouraged to cooperate solving the assignments, I expect the answers that are handed in to reflect students’ individual contributions. Late assignments will not be accepted. Answer keys will be posted online, and the assignments will be discussed in the tutorials. There will also be a similar number of “problem sets,” which are comprised of practice questions similar to assignments. Just as assignments, the problem sets will be discussed in the tutorials and answer keys will be posted online. Even though they are not handed in and graded, it is recommended that you attempt to solve them before attending the tutorial or reading the answer key.

Exams: There will be an 80-minute midterm exam. Exams will be cumulative and test your understanding of the subject material and your ability to analyze and formulate solutions to specific problems. The assignments are intended to assist you in the preparation for the exams, but note that exam questions are typically different from assignment questions. The midterm exam is closed book. Electronic devices will not be permitted during closed-book exams, with the exception of approved non-programmable calculators without communication functions. There will be no deferred midterms.

Missed Components: If assignments or the midterm exam cannot be completed for a justifiable reason, it may be possible to make alternative arrangements prior to the due date at the instructor’s discretion. If no such arrangements are made and the component is missed, a grade of 0 will be assigned, unless the student provides written documentation of circumstances beyond his or her control that prevented him or her from completing the assignment on time. (This documentation typically takes the form of a doctor’s note.)

Attendance: University policies apply. Regular attendance is highly recommended.

Grading System: See https://students.usask.ca/academics/grading/grading-system.php for a description of the percentage grading system used in this course.

Grade Distribution: See https://homepage.usask.ca/~anp328/?teaching for the historic grade distribution in this course.
Academic Integrity

Please note that academic dishonesty is subject to severe penalty at the University of Saskatchewan. Any form of conduct not in line with the general standards of academic integrity, including cheating and plagiarism, will not be tolerated. All students should read and must be familiar with the Regulations on Academic Student Misconduct and the rules of Student Appeals in Academic Matters (see https://secretariat.usask.ca/student-conduct-appeals/).

Other Policies

Materials posted on Blackboard or distributed in class will be made available in accordance with Canadian copyright laws. Students are reminded of their obligation to also abide by this legislation. Recording of the course will only be allowed in certain circumstances. Please see the instructor for information on how to receive approval. Please familiarize yourself with the student support services available through AES (https://students.usask.ca/health/centres/access-equity-services.php), Student Learning Services (https://library.usask.ca/studentlearning/), the Teaching, Learning and Student Experience Unit (https://students.usask.ca/) and the College of Arts & Science (https://artsandscience.usask.ca/undergraduate/advising/).