

University of Waterloo
Department of Economics
ECON 206, Section 003: Money and Banking 1
Winter 2019
Class Schedule: Thursdays 6:30pm - 9:20pm
Class Location: AL 208

Instructor: Saeed Rana

Office: Hagey Hall 162

E-mail: ranas3@mcmaster.ca

Office Hours: Thursday 5:00pm - 6:00pm or by appointment

Course website: LEARN

Teaching Assistant:

The name, office hours, and email address of the teaching assistant will be posted on LEARN

Course Description:

This course is designed to introduce the fundamentals of money, banking and financial markets, with emphasis on the Canadian economy. Topics include, but are not limited to, measures and functions of money, behavior of interest rates, central banking, aggregate demand and aggregate supply, and the theory and practice of monetary policy.

Learning Outcomes:

At the end of the course, students should be able to

- Understand money, its forms and functions
- Describe the role of money and financial markets in the economy
- Understand the structure of the financial markets
- Explain the financial market instruments
- Explain the types and functions of financial intermediaries
- Explain the role of financial regulatory authorities
- Explain the functions of the Bank of Canada
- Understand the workings of aggregate demand, aggregate supply, and monetary policy

Required Text:

Mishkin, Frederic S. and Apostolos Serletis (2016). *The Economics of Money, Banking, and Financial Markets*, 6th Canadian Edition. Toronto: Pearson.

Optional Text:

Peter Demarzo and David Stangeland (2017). *Corporate Finance*, 4th Canadian Edition. Pearson.

Additional Resources:

Additional resources (e.g. lecture slides, practice problem sets) are posted on LEARN. Students are responsible for downloading and saving course material on LEARN before the access to their courses is shut off.

Course Outline:

This course outline will be available at two locations, Department of Economics Website and LEARN Website, for the duration of the term.

Tentative Course Calendar:

Week	Date	Lecture Topic/Chapter
01	Jan 10	Part-I: Introduction Chapter 1: Why Study Money, Banking, and Financial Markets? Chapter 2: An Overview of the Financial System Chapter 3: What is Money?
02	Jan 17	Part-II: Financial Markets Chapter 4: The Meaning of Interest Rates
03	Jan 24	Chapter 5: The Behaviour of Interest Rates
04	Jan 31	Part-IV: The Management of Financial Institutions Chapter 12: Banking and the Management of Financial Institutions
05	Feb 7	<u><i>Midterm-I: In Class, Covers Chapters 1, 2, 3, 4, 5</i></u> Part-V: Central Banking and The Conduct of Monetary Policy Chapter 14: Central Banking and the Bank of Canada
06	Feb 14	Chapter 14: Central Banking and the Bank of Canada Chapter 15: Money Supply Process
07	Feb 21	<i>Reading Week: No Class</i>
08	Feb 28	Part-V: Central Banking and The Conduct of Monetary Policy Chapter 16: Tools of Monetary Policy Chapter 17: The Conduct of Monetary Policy: Strategy and Tactics
09	Mar 7	<u><i>Midterm-II: In Class, Covers Chapters 12, 14, 15</i></u> Part-VI: International Finance and Monetary Policy Chapter 18: The Foreign Exchange Market
10	Mar 14	Part-VII: Monetary Policy Chapter 20: Quantity Theory, Inflation, and the Demand for Money
11	Mar 21	Chapter 20: Quantity Theory, Inflation, and the Demand for Money Chapter 21: The IS Curve

12	Mar 28	Part-V: Central Banking and The Conduct of Monetary Policy Chapter 22: Monetary Policy and Aggregate Demand and Supply Analysis
13	Apr 4	Chapter 23: Aggregate Demand and Supply Analysis

Evaluation:

Learning in this course results primarily from lectures, in-class discussions, home readings, and assigned problem sets. Students learning and progress in this course will be evaluated on individual basis. Grades for this course will be calculated as follows:

Evaluation	Evaluation Date	Weights
Problem Set I	January 31, In Class	5%
Problem Set II	February 28, In Class	5%
Midterm Exam I (Chapter 1, 2, 3, 4, 5)	February 7, In Class	20%
Midterm Exam II (Chapter 12, 14, 15)	March 7, In Class	20%
Final Exam (Cumulative)	TBA	50%
Total		100%

Please Note:

1. For some chapters selected portions will be covered as a part of the course material.
2. If a student misses a lecture for any reason, it is student's responsibility to obtain class lecture notes and other relevant material.
3. Problem sets are to be handed in class on the due dates mentioned above. Problem sets will not be accepted past their deadline.
4. There will be no make-up problem sets or make-up midterms.
5. If a problem set or a midterm exam is missed, given proper documentation, the weight will be transferred to the final exam.
6. All exams, midterms and final, are individual and closed-book.
7. Both the in-class midterms and the final exam will consist of a mix of short answer questions, analytical problems, numerical calculations, mathematical derivations, true-false, multiple choice, and fill-in-the-blank questions, and will draw on problem sets, and material covered in the lectures.
8. It is mandatory that students bring their UW student ID card to the midterms and the final exam.

9. Your grades on problem sets and midterms will be posted on LEARN. Please immediately report to the instructor any discrepancy between the posted and actual grades.
10. Only the Registrar's Office can issue final grades. Hence, marks for the final exam will not be posted on LEARN.
11. Missing the final exam is a very serious matter which automatically results in a grade of zero for the final exam and possibly a failing grade for the course. Please carefully read the Economics Department policy on deferred final exams for instructions.
12. No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course. For instructions on the deferred final exam policy please refer to the Deferred Final Exam Policy, located at <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources>.
13. You are encouraged to work in groups on assignments however the write-up and analysis that is handed in must be your own. It is considered cheating to hand in a copy of someone else's work.
14. You are encouraged to contact course instructor or course TA for any questions on the course material and outlines, evaluation scheme, and the final exam.

Communication and Feedback:

I will be using LEARN to post assignments and relevant course material. Students are encouraged to contact with instructor or TA to seek help or to discuss course related matters. Instructor's office hours are listed on page 1. If scheduled office hours conflict with your schedule, you can request an appointment with me via email (ranas3@mcmaster.ca). Please ensure that your email has subject line starting with "ECON 206" this will minimize the risk of your email being overlooked or perceived as spam.

Guidelines and Expectations:

For getting the most out of this course grade wise and in terms of learning, active participation on your behalf is essential. In order to make this journey successful, each student's cooperation, diligence, sincerity and above all a great deal of interest and involvement in learning the course material are important. This will ensure that we receive the maximum value added from the course.

I will deliver my lectures using slides. The slides will be distributed through LEARN. I will also use the blackboard/whiteboard to cover additional material. The slides are not lecture notes. They are mainly providing outlines of what will be discussed in class. I will set the lecturing pace based on the assumption that you have copies of the slides with you in class.

Students are assumed to have read the material ahead of the lectures. Please refer to the Tentative Course Schedule on page 2 for reading schedule. Students should NOT expect me to talk about every single textbook page. The lectures will focus on the most important and challenging parts of the material. More basic material will be left for the students to study on their own. I will refer to this more basic material in the lectures, hence the need to read ahead to understand the lectures.

Economics Department Deferred Final Exam Policy:

Deferred Final Exam Policy found at <https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy>

Cross-listed course:

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity](#) webpage and the [Arts Academic Integrity](#) webpage for more information.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. [Read Policy 70 - Student Petitions and Grievances](#), Section 4. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

Appeals:

A decision made or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 - Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals](#).

Accommodation for Students with Disabilities:

Note for students with disabilities: [The Access Ability Services office](#), located on the first floor of the Needles Hall extension (1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

Mental Health Support:

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus:

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 ext 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

Off campus, 24/7:

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe](#) app to your phone to quickly access mental health support information

Territorial Acknowledgement:

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.