

University of Waterloo
Department of Economics
ECON 206
Money and Banking
Fall 2019
Mon/Wed 2:30 – 3:50, STC 0060

Instructor and T.A. Information

Instructor: Derek Stacey

Office: Hagay Hall 102

Office Phone: 519-888-4567, ext. 36825

Office Hours: Mon/Wed 9:00 – 10:30

Email: dstacey@uwaterloo.ca

- When sending email, "ECON 206" must appear in the subject line and the message must include your full name and ID number.
- Please use email for administrative concerns only. I will be available during office hours, or by appointment, to discuss course material.

Course Description

This course offers an overview of the functioning of the financial system both in Canada and abroad. It includes discussions of money and inflation, financial assets, and financial institutions and intermediaries.

Course Goals and Learning Outcomes

- Understand money, its forms and functions.
- Understand the role of financial intermediation.
- Understand the history and functions of central banking.
- Understand the implementation of monetary policy both in Canada and abroad.
- Gain familiarity with models of monetary economies.

Required Text

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

Readings Available on LEARN

Lecture slides will be posted on LEARN. Students should check LEARN daily for announcements, course changes, and class materials. Note that the LEARN website may not be available from time to time. As such, students must download the class materials to their computer as soon as they are posted.

Course Requirements and Assessment

Assessment	Date of Evaluation (if known)	Weighting
Midterm Exam 1	October 9	25%
Midterm Exam 2	November 11	25%
Final Exam	TBD	50%
Total		100%

Midterm and Final Exams

Exams will draw on material covered in the lectures and assigned readings. The midterm and final exams are closed-book exams. The final exam is cumulative and includes all material covered in the course.

Course Outline

Week	Date	Topic	Readings Due
1	Sep. 4	Why Study Money, Banking, and Financial Markets?	Ch. 1
2	Sep. 9 & 11	An Overview of the Financial System What Is Money	Ch. 2 Ch. 3
3	Sep. 16 & 18	The Meaning of Interest Rates The Behaviour of Interest Rates	Ch. 4 Ch. 5
4	Sep. 23 & 25	The Economic Analysis of Financial Structure	Ch. 8
5	Sep. 30 & Oct. 2	The Economic Analysis of Financial Regulation	Ch. 9
6	Oct. 7 & 9	Banking Industry: Structure and Competition	Ch. 10
7	Oct. 21 & 23	Central Banks and the Bank of Canada	Ch. 14
8	Oct. 28 & 30	The Money Supply Process	Ch. 15
9	Nov. 4 & 6	Tools of Monetary Policy	Ch. 16
10	Nov. 11 & 13	The Conduct of Monetary Policy: Strategy and Tactics	Ch. 17
11	Nov. 18 & 20	Monetary Theory	Ch. 20, 21 & 22
12	Nov. 25 & 27	Monetary Policy Theory	Ch. 24 & 25
	Dec 2	Review for Final Exam	

Missed Exam Policy

Students that are to miss an exam should inform the instructor in advance. Students that miss a midterm exam will receive a grade of zero on the exam if satisfactory documentation is not provided in a timely manner. With appropriate documentation, students that miss a midterm exam will have the weight of that midterm transferred to their final exam. With appropriate documentation, students that miss the final exam will be eligible to write a makeup final exam.

Attendance Policy

Lectures are a critical part of the course. Attendance is strongly recommended. A student that misses a lecture should obtain class notes from a classmate.

Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009

Academic Integrity

In order to maintain a culture of academic integrity, members of the University of Waterloo community 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](#).

Note for Students with Disabilities

The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (NH 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.

If Using Turnitin in your Course

Turnitin.com: Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will

be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin ®. See [guidelines for instructors](#) for more information.

Faculty of Arts-required statements for undergraduate course outlines

Cross-listed Course (if applicable)

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.