

Money  
ECONOMICS EC2154A-001  
Department of Economics  
Western University

September 2023

**Instructor:** Des McKeon  
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**Office Hours:** Friday 11:00 am – 1:00 pm  
**Delivery Mode:** In person  
**Meeting times:** M, W, F 9:30 am – 10:30 am  
**Classroom:** UCC 56  
**Course website:** <https://owl.uwo.ca/portal>  
**Undergraduate inquiries:** 519-661-3507 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 prerequisites for this course 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 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
- Be able to 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:

*The Economics of Money, Banking and Financial Markets*, Mishkin Frederic and Apostolos Serletis 8th Canadian edition, Addison Wesley, 2022. Older versions will be fine.

## Assignments:

There are **no problem sets that are 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.**

## Assessment: Weights and Dates

Test I .....	25%
Test II.....	25%
Final exam .....	50%

**Test I:** Thursday Oct 5 out of class- time midterm (confirmation pending )

**Test II:** Thursday Nov 9 out of class- time midterm (confirmation pending)

**Final:** TBD by Registrar.

NB. Students **MUST** keep abreast of course developments on an ongoing basis. Any changes to the course will be announced in class. **Attendance is required for this course.**

**Failure to keep up with course changes or date deadlines will not be considered for grade accommodations.**

**No makeup tests will be given.** If student misses a test, the weight of the missed test will be reallocated to the final exam. This is **the only method** of accommodation for missed tests that will be used in this course with one exception; If you have another midterm at the exact time and date as a midterm for this course ,then a makeup **may be** offered. **This conflict must be an exact one to one correspondence with the midterm in this course. Having another midterm or midterms on the same day or within 23 hours does not qualify for this exception.**

**Non-programmable calculators are allowed on all tests.**

### **Course Outline:**

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 .....	Chapter2
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 ,11
Risk Management.....	Chapters 12, 13,
Central Banking .....	Chapter 14, 15,
Monetary Policy.....	Chapter 16, 17
Monetary Theory.....	Chapters 20. 21, 22, 23 24, 25 26

\* This topic may be taught out of sequence.

**N.B.** This course is subject to **course grade adjustments**. Adjustments are made to maintain the value of your degree. Your grade made be adjusted **up or down**. These adjustments will normally be made at the end of the semester after all grades have been processed. Students who are opposed to this **policy should not take this course.**

**Please Note**  
**Department & University Policies for Fall 2023**

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, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
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 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 to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in 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.**

Department of Economics procedures for appealing a mark can be found here: [https://economics.uwo.ca/undergraduate/program\\_counselling/responsibilities\\_policies.html#appeals](https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals). 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 to submit an appeal to [econugrd@uwo.ca](mailto:econugrd@uwo.ca). Please follow the instructions and use the appeal form shown in the above link.

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**:
- Deadline to ADD OR DROP a first term full or half course: **Fri, Sept 15, 2023**
  - Deadline to WITHDRAW from a first term full or half course: **Mon, Nov 13, 2023**

### **Policy Regarding Makeup Tests and Final Examinations**

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.

### **Policies Regarding Academic Accommodation**

- Academic accommodation will not be granted automatically on request. Students must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered. The Faculty of Social Science's policies on academic accommodation are found at [https://counselling.ssc.uwo.ca/procedures/academic\\_consideration.html](https://counselling.ssc.uwo.ca/procedures/academic_consideration.html)
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see [http://academicsupport.uwo.ca/accessible\\_education/index.html](http://academicsupport.uwo.ca/accessible_education/index.html)), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** 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 also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message to the instructor, copying the Undergraduate Coordinator at [econugrd@uwo.ca](mailto:econugrd@uwo.ca). **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**
- For medical illnesses, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit/assessment. Student Medical Certificate (SMC) is available here:

[https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf)

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons.
- **Western University policy on Consideration for Student Absence** is available here: [https://counselling.ssc.uwo.ca/procedures/probation\\_rtw/appeals.html](https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.html)
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

**Policy Regarding Class Attendance and Engagement:** If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

**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.

**Statement on Remote Proctoring:** While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unit may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.