

Faculty of Science Course Syllabus
Department of Economics

ECON 3426
Monetary policy
Winter 2021

Instructor(s): James McNeil mcneilj@dal.ca

Lectures: Asynchronous

Office hours: T 9AM-11AM

Teaching assistant: Tapas Banik

Course Description

Assuming a basic knowledge of monetary institutions and macroeconomics, a critical analysis of the objectives and effectiveness of monetary policy is developed. Particular attention is given to the Canadian experience and the effectiveness of Canadian policy.

Course Prerequisites

ECON 2201, ECON 2326 with minimum grades of C

Course Exclusion

ECON 4426

Learning Objectives

By the end of the course, students will:

- Understand the general goals and implementation of monetary policy in Canada
- Understand both conventional and unconventional monetary policies
- Be able to use monetary theory to explain how monetary policy influences real and nominal variables

Course Materials

The required textbook for this course , available through the Dalhousie University Bookstore, is:

“[The Economics of Money, Banking and Financial Markets](#)”, by Frederic Mishkin and Apostolos Serletis, Pearson Canada, Seventh Canadian Edition.

Additional readings will be posted to the course Brightspace page.

Course Assessment

Component	Weight (% of final grade)	Due date
<i>Assignment 1</i>	15%	<i>January 29th</i>
<i>Assignment 2</i>	15%	<i>February 26th</i>
<i>Assignment 3</i>	15%	<i>March 19th</i>
<i>Assignment 4</i>	15%	<i>April 8th</i>
<i>Final exam (cumulative)</i>	40%	<i>(Scheduled exam period)</i>

Other course requirements

To pass the course a student must earn an overall mark of at least 50% and must earn a mark of 50% or more on the final exam.

Conversion of numerical grades to Final Letter Grades follows the Dalhousie Common Grade Scale

A+ (90-100)	B+ (77-79)	C+ (65-69)	D (50-54)
A (85-89)	B (73-76)	C (60-64)	F (<50)
A- (80-84)	B- (70-72)	C- (55-59)	

Course Policies

Students who are unable to write the final exam because of illness must notify the instructor *prior* to the start of the exam. They will then write a make-up exam to be scheduled at a later date.

Assignments are to be submitted through Brightspace by 23:59 PM AST on the due date. Late assignments will be deducted a full letter grade for each late day past the due date. Assignments submitted more than five days after the due date will receive a grade of zero.

Course Content

Part I: Interest rates

- The meaning of interest rates
- The behaviour of interest rates
- The risk and term structure of interest rates

Part II: Monetary policy in Canada

- The money supply process
- Monetary policy: goals, rules, and implementation
- Conventional monetary policy
- Unconventional monetary policy
- Monetary policy response to COVID-19

Part III: Monetary Theory

- Quantity theory, inflation, and the demand for money
- The IS curve
- The monetary policy and aggregate demand curves
- Aggregate demand and supply analysis
- Monetary policy theory
- The role of expectations in monetary policy
- Transmission mechanisms of monetary policy