

**Faculty of Science Course Syllabus  
Department of Economics  
ECON 3426  
Monetary policy  
Winter 2023**

*Dalhousie University is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq. We are all Treaty people.*

*We acknowledge the histories, contributions, and legacies of the African Nova Scotian people and communities who have been here for over 400 years.*

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

**Lectures:** TR 4:05 pm – 5:25 pm, McCain Arts and Social Sciences Building 2130

**Office hours:** R 1 pm – 3 pm, Economics Dept. Room A23

**Course delivery:** In-person. Lectures will not be recorded.

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### **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, eighth Canadian Edition.

Additional readings will be posted to the course Brightspace page.

## Course Assessment

Component	Weight (% of final grade)	Due date
<b>Midterm exam</b>	25%	February 7 <sup>th</sup>
<b>Presentation</b>	10%	Final weeks of class
<b>Final assignment</b>	20%	April 6 <sup>th</sup>
<b>Final exam</b>	45%	(Scheduled exam period)

### Other course requirements

To pass the course a student must earn an overall mark of at least 50%.

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

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

### Course Policies

Students who are unable to write the midterm exam because of illness will need to complete and submit the Student Declaration of Absence form to me by email *prior* to the start of the exam. The weight of the midterm will be transferred to the final exam. There will be no make-up midterm exam.

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.

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

- The meaning and behaviour of interest rates
- The risk and term structure of interest rates
- Monetary policy frameworks
- Conventional monetary policy
- Unconventional monetary policy
- Monetary policy response to COVID-19
- Monetary policy transmission mechanisms
- The money supply process
- Quantity theory, inflation, and the demand for money
- Monetary policy in the *IS-LM* framework
- Expectations and the Lucas Critique