



ECO 353 Monetary Economics in Practice

Winter 2024

Course Credits: 4

Contact Hours: 56 hours

Instructor: TBA

Email: TBA

COURSE OBJECTIVES

This course designed to provide students with a comprehensive understanding of monetary theory and policy. This course explores the role of money and financial institutions in the macroeconomy, central banking, and the conduct of monetary policy. Students will examine the theories behind money, banking, and monetary policy, as well as their practical applications in the real world.

Upon Completion of this Course, students will be able to:

1. Develop a comprehensive understanding of the functions and roles of money within the broader economy.
2. Explore the demand for money and its determinants, and analyze the quantity theory of money.
3. Examine the structure and functions of the banking system, including fractional reserve banking and the money multiplier.
4. Analyze the dynamics of money supply and money demand and their interaction in the money market.
5. Investigate various monetary policy frameworks, such as rules vs. discretion and inflation targeting.

PREREQUISITES

ECO 220 Intermediate Microeconomics

GRADING

Grades will be determined by accumulating points, with 100 points being the maximum, as follows:



ITEM	POINTS
Quizzes	20 Points
Projects	20 Points
Midterm 1	15 Points
Midterm 2	15 Points
Final Exam	30 Points
Total	100 Points

Late submissions will be graded at the end of the course. Grades will be assigned according to the following rule:

$$A \geq 90 > B \geq 80 > C \geq 70 > D \geq 60 > F.$$

We reserve the right to make adjustments to the overall grading policy.

COURSE MATERIALS

Required Texts:

Bruce Champ; Scott Freeman; Joseph H. Haslag, *Modelling Monetary Economics*, 5th Edition, Cambridge University Press.

Recommended (Optional) Texts or Other Materials:

None

COURSE TOPICS

MODULE	TASKS
Module 1	Topics: Topic 1: The Economy and the Planner's Solution Topic 2: Equilibrium Trade in the Economy without Money Topic 3: A Simple Model of Money Topic 4: Barter and Commodity Money Assessments: Quiz#1



Module 2	Topics: Topic 5: Inflation Topic 6: International Monetary Systems Topic 7: Price Surprises Topic 8: Capital Assessments: Quiz#2 Project#1
Module 3	Topics: Topic 9: Liquidity and Financial Intermediation Topic 10: Central Banking and the Money Supply Topic 11: Money Stock Fluctuations Topic 12: Fully Backed Central Bank Money Assessments: Midterm#1 Project#2
Module 4	Topics: Topic 13: Payment Systems Topic 14: Bank Risk Topic 15: Liquidity Risk and Bank Panics Topic 16: Deficits and the National Debt Assessments: Midterm#2
Module 5	Topics: Topic 17: Continual Debt Issue Topic 18: Savings and Investment Topic 19: The Effect of the National Debt on Capital and Savings Topic 20: The Temptation of Inflation Assessments: Final Exam

ATTENDANCE

1) Class attendance is required. Missing classes without permission will lead to decrease in overall grade.

Missing less than two classes: no penalty.

Missing more than two classes: 7% will be taken off from the overall grade.

If the instructor reports a student's frequent missing of class to the Soochow University Academic Administration Office, the student might get a written warning



and might be prohibited from attending final exam.

2) Participants in this course are expected to arrive in class promptly and adequately prepared. The primary objective of this course is to critically engage with the readings and the subject matter. Therefore, course participants are expected to have completed the reading prior to class and prepare thoughtful reflections/commentaries to share with fellow colleagues.

LEARNING REQUIREMENTS

- 1) Late assignments are not acceptable and are subjected to grade deductions.
- 2) Assignments submitted in the wrong format will be counted as not submitted.
- 3) Failure to submit or fulfill any required course component results in failure of the class.
- 4) Make-up for midterm and final exams only with valid excuses, as defined by the University.
- 5) In order to earn a Certificate of Completion, participants must thoughtfully complete all assignments by stated deadlines and earn an average quiz score of 50% or greater.

TECHNOLOGY POLICY

The use of electronic devices in class is distracting, both for the user and for the rest of the class. Only non-programmable calculators can be used in the tests and exam. Any attempts to use cell phones and other electronic communication devices will be seemed as cheating. Laptops are discouraged, unless you use them for activities DIRECTLY related to the course (eg., note taking, reading course documents).

ACADEMIC INTEGRITY POLICY

Soochow University highly values the academic integrity and aims to promote the academic fairness, honesty and responsibility. Any academic dishonesty behaviors and any attempts to cheats and plagiarism will be reported to the university administration office. A written warning and the relevant penalties will be imposed. The record might be shown on the official university transcript.



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DISABILITY ACCOMMODATION

Soochow University is committed to maintaining a barrier-free environment so that students with disabilities can fully access programs, courses, services, and activities at Soochow University. Students with disabilities who require accommodations for access to and/or participation in this course are welcome.

Note:

Please contact the University Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material.