

# ECON 540: Seminar in Economics(Monetary Economics) Spring 2018, Sec 02

Class hours: Tu/Th 11:00 - 12:15 PM, Brevard Hall 235

Class webpage on Blackboard: <https://blackboard.olemiss.edu/>

Instructor: Jaevin Park

E-mail: [jpark21@olemiss.edu](mailto:jpark21@olemiss.edu)

Office: 367 Holman Hall

Office hours: Tu/Th 9:00 – 10:30 AM and/or by appointment

TA: To be announced

## Course Objectives and Learning Outcomes:

The course will cover several topics in monetary economics such as the role of money, the relationship between money, prices, and growth, and also banking system in the economy. These issues will be analyzed by using the overlapping generations (OLG) or money-search models. These leading monetary models are actively used by the economists and the policy makers. Students will learn how to analyze monetary issues in a general equilibrium framework. Students are expected to be comfortable with (un)constrained optimization tools and methods. I will cover following topics matched with chapters in the textbook and also provide the lecture slides.

Topics/Chapters:

1. Introduction(MME ch.1)
2. Commodity Money(MME ch.2)
3. Money and Inflation(MME ch.3)
4. Money and Capital(MME ch.6,9)
5. International Monetary System(MME ch.4)
6. Financial Intermediation(MME ch.7)
7. Bank Risk(MMF ch.12,13)

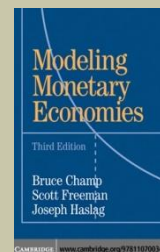
## Prerequisites:

Econ 540 requires that you have taken the equivalent of Econ 398(Intermediate Microeconomics) or Econ 399(Intermediate Macroeconomics) because this course requires to know basic calculus, functional relations, and to interpret graphs. However, if you have this background or will learn by yourself, please contact me.

## Course Materials:

*(Textbook) (Recommended) Modeling Monetary Economics*, 3rd Edition, Bruce Champ, Scott Freeman and Joseph Haslag, Cambridge University Press, 2011. You may also have the 4th edition(new) of the book.

*(Optional) Money, Payments, and Liquidity*, 2nd edition, Guillaume Rocheteau, Ed Nosal, MIT Press, 2017.



(Readings, Required) In the class we will discuss about one or two readings for each chapter. The readings are pulled from various books and academic journals. You are not responsible for memorizing every little details, but you are accountable for understanding the main idea, arguments and evidence. All the reading materials will be uploaded on the class Blackboard website.

### **Course Requirements:**

(Assignments) An assignment will be posted after I have covered each topic. This is a learning tool (not a testing tool like an exam), so feel free to use all resources (books, internet resources, classmates – anything that works) to learn the material. If you do not submit it before the deadline, you will receive a score of zero and there will be no opportunities to make up.

(Exams) You will be offered midterm and final exams. The exam problems will be an extension from one of your assignments. The midterm exam will be held during the class hours (tentatively, Feb. 27th) and one final exam will be held at noon, May 8th, or could be a take-home exam. All exams are mandatory. If you miss an exam you will receive a score of zero on it. The few exceptions for a make-up exam are if you have a documented medical excuse, or a documented family emergency. If you are unavailable for an exam due to official Ole Miss business (such as a game, etc.), you need to contact me at least a week before and to provide any documentation that missing the exam is necessary.

(Short Paper)(Undergraduate) Undergraduates are required to submit a short paper which covers a current topic in monetary economics, specifically, related to our class materials. You can read newspapers, magazines, or journal articles and find out an interesting issue pertaining to the subject matter of this course. First, you need to introduce the article with one paragraph summary and provide an economic discussion for the article based on what you learned in the class. You do not have to explain everything, but you have to focus on at least one perspective and claim whether it is aligned with what you learned or not. Paper should not exceed two pages in length and should contain relevant references.

(Short Paper)(Graduate) Graduate students are required to write a short research paper based on one topic in monetary economics. You need to find a specific question that you are interested. The question may constitute 1) original research, 2) an extension of existing work, or 3) a critique of existing work. If the question is theoretical in nature, you can think about a theoretical model or extension which is suitable for addressing that question and solve your model and interpret the results. If it is empirical in nature, you can present some statistics or data analysis such as simple regressions for your hypotheses and propose your empirical methods or models to estimate. Finally, you need to outline the limitations of your model and provide suggestions for future research shortly.

(Attendance) Attendance is necessary for mastering the material in any course. In fact, it is not enough just to come to class. Students are strongly encouraged to ask questions and participate constructively in class discussions. In order to provide incentives, I may ask you fill in your Student ID and signature on a sign-in sheet in class to record your attendance. You may have three free excuses, but after that each one absence will take off 1%.

Grades Undergraduates will be graded by Attendance(10%), Assignments(10%), Two Exams(each 30%), and Short Paper(20%). Graduate students will be graded by Assignments(10%), Two Exams(each 20%), and Short Research Paper(50%).

Announcements for assignments, exams, and papers will be made through e-mails and/or Blackboard. Please make sure that you are responsible for reading these emails and checking Blackboard announcements on a regular basis.

**Academic Integrity:** All your works will be done by your own effort basically. Exams will be taken without any assistance of another student or any materials such as notes, textbook, and cell phones, etc. You can participate actively in the group study for assignments, but need to type or write down by yourself. You can ask academic advice to me or classmates for your short paper, but need to show your originality in that paper. Evidence to the contrary will result, initially, in a failing grade on the assignment, the exam or paper, and immediate academic disciplinary action. If you ever feel that these standards of academic integrity are not being met, please notify me or an undergraduate advisor immediately.

**Disabilities:** Students with disabilities who may need disability-related classroom or exam accommodations for this course are encouraged to set up an appointment to meet with me as soon as possible to better insure that accommodations are provided in a timely manner.