

## Economics 453 Syllabus — Fall 2021

# Monetary Theory and Policy

299 TMCB — Tuesday/Thursday 12:30 – 1:45 pm

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**Instructor:** Brennan Platt, PhD

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	Schedule	Location	
<b>Office Hours</b>	2-3 pm, TTh	2111 WVB	Please mask if unvaccinated
<b>Zoom Hours</b>	10-11 am, M	Zoom: <a href="https://byu.zoom.us/j/97609289671">976 0928 9671</a>	Password: scarcity

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### Description

This course examines the role of money in facilitating transactions, its impact on banking, and the interaction of monetary policy and government debt. We illustrate these issues using theoretical models, while becoming familiar with modern institutions and historical episodes.

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### Prerequisites

Econ 380 and 381 are required. Concurrent enrollment in 388 is encouraged.

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### Learning Outcomes

Econ 453 students will be able to

1. Summarize the broad empirical evidence regarding the long-run and short-run relationships between money and inflation and money and output.
  2. Demonstrate a fundamental knowledge of the institutional and regulatory structure of the U.S. financial system.
  3. Explain the macroeconomic role of central banks with special emphasis on the role of the Federal Reserve System in the U.S. economy.
  4. Demonstrate an active understanding of the following elements of modern monetary theory:
    - The role of expectations, especially rational expectations
    - Solve simple rational expectations models
    - Analyze the rudimentary new Keynesian dynamic stochastic general equilibrium models
    - Theories of the transmission mechanism of monetary policy
  5. Identify the current issues in the conduct of monetary policy.
  6. Demonstrate a general understanding of the causes and consequences of financial crises with a focus on the financial crisis of 2007-2009.
  7. Identify and evaluate the principal issues regarding financial regulation.
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## Required Materials

The required textbook is Modeling Monetary Economies (Champ, Freeman, Haslag, 4<sup>th</sup> Ed. ISBN 9781316508671). [Amazon](#) offers several low-cost options for the book, including as an eBook. Homework questions will be drawn from the book, and I expect students to read the assigned chapters before lecture. I will post additional readings as PDFs in LearningSuite.

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## Attendance Policy

Lectures are integral to learning in this course. Students should plan to attend every lecture if they want to succeed in the course. To get the most from lectures, always complete assigned readings in advance and come with questions for discussion.

For those who show any illness symptoms or who are asked to quarantine, recordings of the lectures will be available by emailing me. Please remember that this is not a hybrid or online course. The lecture is not optimized for the camera, making the recordings an imperfect substitute for attendance, to be used only in the interest of public health.

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## Online Assignments

To give you practice in solving and interpreting the models, we will have short online homework assignments every week (**before noon on Tuesdays**). While you will not be asked to show your work in your online submission, you should save your work to compare against the solution set after the deadline.

Study groups are encouraged, but individual submissions are required. Your work should reflect your own understanding, not simply copying the efforts of others.

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## Article Review / Presentation

As a concluding project for this course, students will be asked to work in trios to examine a current issue in monetary economics. You will look for at least two academic papers (published in the last decade or a current working paper) on the subject, along with relevant media coverage on the topic. This will be summarized (in under ten pages) with your assessment of the current understanding of the issue, theoretically and empirically. You will also summarize this in a five-minute presentation to the class.

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## Exams

Midterm assessments will be held in the Testing Center. The comprehensive final will be administered in class at the scheduled time. No early exams are possible, per University policy. No notes, books, or collaboration will be permitted. Calculators are allowed, but not cellphones.

Key Dates	Assessment	Begins	Ends	(Late Fee)
	Assessment 1:	Thurs 9/23, 8 am	Fri 9/24, 9 pm	(after 2 pm Fri)
	Assessment 2:	Thurs 10/15, 8 am	Fri 10/15, 9 pm	(after 2 pm Fri)
	Assessment 3:	Thurs 11/12, 8 am	Fri 11/12, 9 pm	(after 2 pm Fri)
	Final:	Fri 12/17, 11 am	Fri 12/17, 2 pm	(na)

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## Getting Assistance

If you are struggling with any portion of the course, please seek assistance. I will only know to help you if you ask. Students are always welcome during my office and zoom hours, listed on the syllabus' first page. Visitors to my office are asked to mask if unvaccinated.

I will also be available each day after lecture for quick questions, and can be reached via email if other times do not work.

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## University Policies

This course expects adherence to university policies. The [syllabus on Learning Suite](#) provides the full details of key policies, and suggests who to contact if you need further help. For brevity, these are summarized below.

- **Honor Code**
  - Academic honesty (truthfully presenting work as your own) is absolutely required
  - Students are required to maintain Dress and Grooming Standards
- **Preventing & Responding to Sexual Misconduct**
  - Any sexual misconduct (sexual violence, sexual harassment, dating violence, domestic violence, sexual assault, and stalking) is prohibited
  - BYU offers confidential resources to help those affected by Sexual Misconduct, described at <http://titleix.byu.edu>.
- **Student Disability**
  - BYU is committed to providing a working and learning atmosphere that reasonably accommodates qualified persons with disabilities.
  - If you have any disability which may impair your ability to complete this course successfully, contact the University Accessibility Center (UAC), 2170 WSC or 422-2767.
- **Mental Health**
  - Mental health concerns and stressful life events can affect students' academic performance and quality of life.
  - BYU Counseling and Psychological Services (CAPS, 1500 WSC, 801-422-3035, [caps.byu.edu](http://caps.byu.edu)) provides counseling and stress management services.
- **COVID-19**
  - Students and faculty are urged to vaccinate and to wear masks in meetings where social distancing is not possible (*e.g.* classrooms) ([First Presidency, August 2021](#)).
  - Students with COVID-19 symptoms should not attend class and should develop a study plan with their instructor.
- **Diversity and Inclusion**
  - We need to listen to, learn from, and love one another by striving to consider thoughtfully the opinions of others and use language that is polite, considerate, and courteous even when we strongly disagree.
  - We should embrace one another compassionately and "eliminate any prejudice, including racism, sexism, and nationalism" (Elder Ballard, Oct 2017), "regardless of age, personal circumstances, gender, sexual orientation, or other unique challenges." (President Nelson, Sept 2019).