

Monetary Economics
Econ 111
Winter 2004

Syllabus
 Professor Marjorie Flavin
 Office: Econ 216
 Phone: 534-4649
 Email: mflavin@ucsd.edu
 Office hours: Monday and Thursday, 2:30-3:30

Required text: Frederic Mishkin, The Economics of Money, Banking, and Financial Markets, Pearson, Addison Wesley, 7th edition.

Class meetings: Monday, Wednesday, and Friday, 10:00-10:50, CSB 5

TA: Shigeru Fujita
 Email: sfujita@weber.ucsd.edu
 Office hours: Monday 11:00-1:00
 Office: Sequoyah Hall 205

The course web page will be maintained by Shigeru. To reach the web page, start at the Econ department web page, which is located at: www.ucsd.econ When this page comes up, click on the link to "Course web pages" which is listed under the heading "Programs of Study". When "Course web pages" comes up, click on the entry for Econ 111.

Contents of the course:

The determination and behavior of interest rates; the structure and operation of central banks, including the US central bank and the European central bank, the determination of exchange rates, the implementation of monetary policy, the international monetary system, and the relationship between money and inflation.

In addition to the sheer intellectual pleasure of understanding the operation of the financial system, you will find the material in this course of great practical use in any of the following endeavors: evaluation the terms of car loans or mortgages, understanding why the stock market rises or falls dramatically when Alan Greenspan utters a few words, and understanding the policy debate as to whether Britain should enter the European monetary union.

Course grade: Midterm 1: 20%
 Midterm 2: 20%
 Problem Sets: 10%
 Final exam: 50%

Problem sets: Problem sets are due at the beginning of class.

Exams: The dates of the midterms are indicated on the schedule. If you have some schedule conflict that prevents you from taking one of the midterms, please discuss the situation with me within the first two weeks of the quarter.

Econ 111 Reading Assignments

Date	Chapter	topic
Monday, January 5:	1 and 2	Introduction
Wednesday, January 7:	3	What is money?
Friday, January 9:	4	Interest rates
Monday, January 12:	4	
Wednesday, January 14:	5	The behavior of interest rates
Friday, January 16:	5	
Monday, January 19:	no class (holiday)	
Wednesday, January 21:	6	The term structure of interest rates
Friday, January 23:	6	
Monday, January 26:	7	The Stock Market
Wednesday, January 28:	Midterm 1	
Friday, January 30:	7	
Monday, February 2:	7	
Wednesday, February 4:	14	The structure of central banks
Friday, February 6:	14	
Monday, February 9:	15	The Money Supply Process
Wednesday, February 11:	15	
Friday, February 14:	17	Tools of monetary policy
Monday, February 16:	no class (holiday)	
Wednesday, February 18:	19	exchange rates
Friday, February 20:	Midterm 2	
Monday, February 23:	19	
Wednesday, February 25:	19	
Friday, February 27:	20	The international financial system
Monday, March 1:	20	
Wednesday, March 3:	21	Monetary policy
Friday, March 5:	21	
Monday, March 8:	27	Money and inflation
Wednesday, March 10:	27	
Friday, March 12:	27	
Final exam: Tuesday, March 16, 8:00-11:00		