



BUSINESS SCHOOL
Te Kura Pakihi

DEPARTMENT OF ECONOMICS

ECON 403: Monetary Economics

Semester 2, 2024

Lecturer

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Class Times

Mondays 14:00 – 15.50
Thursdays 14:00 – 14.50

Office hours:

Tuesdays, 15:00 – 16:50. Also, you may just drop in when I am around, or arrange a time by email instead.

Paper Description

This paper examines theoretical and empirical aspects of the role of money in the macro-economy, its implications for monetary policy and the relationship to fiscal policy. The emphasis is on recent economic events, in particular the 2007-08 global financial crisis and the Covid-19 pandemic, and ensuing high inflation rates globally in the post-pandemic period. In addition, central bank digital currencies will be studied. Relevant state-of-the-art econometric techniques are covered at the beginning of the course. Thereafter, the emphasis is on oral presentations in class of selected recent journal articles on these topics. The paper is geared towards students who are interested in empirical applications and who plan to work in the government or finance sectors, or plan to continue with postgraduate studies.

Prerequisites: ECON 375 and ECON 377

Learning aims and objectives

The objective of ECON403 is to promote an understanding of the economic concepts underlying the causes and consequences of the global financial crisis of 2007-08 (GFC) and the economic policy responses to the COVID-19 pandemic. ECON403 will focus on monetary policy measures taken during and after the GFC and the pandemic, and how these relate to fiscal policy, in particular the quantitative effects in terms of the fiscal multipliers. We will study the GFC and COVID-19 periods in a broad context, reviewing the available empirical evidence. In addition, we will look at cryptocurrencies, such as Bitcoin, and the role of central banks in such a world. Should a central bank issue its own cryptocurrency?

Recent empirical techniques and theoretical models will be covered. The paper is geared towards students who are interested in empirical applications and who plan to work in the government or finance sectors or plan to continue to write a PhD thesis.

The instructor will provide a detailed introduction to giving oral presentations of economic research papers, along with various hints and tips, as well as sample presentations.

Learning Outcomes

1. Understand and critically assess contemporary advanced monetary theory and modelling, and identify how such models can provide a basis for further applied and policy research.
2. Apply the theory and methods to contemporary monetary policy questions.
3. Communicate ideas and methods in monetary policy analysis in oral presentations, using English and mathematics, as appropriate.

Assessment

The assessment for the paper will be based on class participation (25%) and formal student presentations of recent research papers (75%), either published in refereed journals or being available from websites as working papers.

Students will be randomly assigned research papers for each round of in-class presentations. Each student will be allocated 35 to 40 minutes for the presentation, followed by 10 to 15 minutes of questions and discussion among the students in class. The first round presentation counts 15% towards the final course mark.

Next, there will be three more rounds of in-class presentations with the same format as the first round. Each one will count 20% towards the final course mark.

Every student should read each formal paper that is being presented by others. The discussion and question session that follows each formal presentation counts as part of the class participation mark, aside from other participation throughout the course. Plussage does not apply. Dates and details are to be advised in class.

Grading

The grading scheme used at Otago is:

A+	90-100
A	85-89
A-	80-84
B+	75-79
B	70-74
B-	65-69
C+	60-64
C	55-59
C-	50-54
D	40-49
E	<40

Readings

There is no textbook. Readings and lecture slides will be provided in class and/or via Blackboard.

Student Learning Support and Information

Student Charter

<http://www.otago.ac.nz/about/otago005275.html>

Guidelines for Learning at Otago

<https://www.otago.ac.nz/hedc/otago616123.pdf>

<http://hedc.otago.ac.nz/hedc/learning/>

Student Learning Centre

The Student Learning Centre, which is part of the Higher Education Development Centre, provides learning support, free of charge, to ALL enrolled students. Their services include:

- a workshop programme designed to help students to improve their learning strategies and their generic skills;
- individual assistance with learning issues;
- on-line study skills advice
- a student leadership programme
- a student-led peer support programme for students of all ages and backgrounds.
- conversational English groups for students from a non-English speaking background

The Centre also provides two very helpful study guides, “Guidelines for Writing and Editing” and “Writing University Assignments” and these are available on the SLC website.

<http://slc.otago.ac.nz/>

Library Support

The Library website <http://www.otago.ac.nz/library> provides access to resources and services, including group room bookings, library hours and locations, past exam papers, subject guides, article databases and more.

If you need assistance either check out the self-help guides <http://otago.libguides.com/selfhelp>, or ask Library staff at the ground floor service desks, or email ask.library@otago.ac.nz

Pacific Student Support Facilitators

Malo e lelei

Falaviena Faiva works part-time in the Dean's Office at the Otago Business School, Division of Commerce. Falaviena is of Tongan descent and one of our two Pacific Student Support Facilitators. She is responsible for all second-year Pacific students within the division.

Falaviena is a University of Otago, Humanities and Commerce graduate and is currently completing a Postgraduate Commerce degree in International Business.

Deans Office, Otago Business School

Division of Commerce

Email: viena.faiva@otago.ac.nz

Cell Phone: 021 279 0914

Bula Vinaka

Jekope Ramala Maiono also works part time in the Dean's Office at the Otago Business School, Division of Commerce.

Maiono is of Fijian descent and our other Pacific Student Support Facilitator. He is responsible for all first-year Pacific students in the division.

Maiono is a University of Otago Commerce graduate, also studying a PHD degree in the Division of Humanities.

Deans Office, Otago Business School

Division of Commerce

Email: jekope.maiono@otago.ac.nz

Cell Phone: 021 279 0871

Kaiāwhina Māori | Māori student support

Ben is the Kaiāwhina Māori (Māori student support) for Te Kura Pākihi | Otago Business School. He is able to answer any questions you may have about studying here at the University of Otago. He can provide information about scholarships, campus services, pastoral and financial care. Ben is also here to support those students who are studying away from their whānau, hapū and iwi, to ensure they feel safe and supported. He has a passion for the development of Rangatahi and understands the struggles that can come with academic life.



Tel +64 27 513 6991

Email ben.sommerville@otago.ac.nz

Disability Information and Support

Students are encouraged to seek support if they are having difficulty with their studies due to disability, temporary or permanent impairment, injury or chronic illness. It is important to seek help early, through one of the contacts below:

Website: <http://www.otago.ac.nz/disabilities>

65 Albany St, West Lane, ISB, Student Services

Tel: +64 3 479 8235 Email: disabilities@otago.ac.nz

Student Feedback

We encourage your feedback. This can be in the form of contacting staff, participating in course evaluation surveys, and communicating with class representatives. Continual improvements will be made to this course based in part on student feedback.

Class Representatives

The class (or student) representative system is an avenue for encouraging communication and consultation between staff and students. It provides you with a vehicle for communicating your views on the teaching and delivery of the paper and provides staff with an opportunity to communicate information and gain constructive feedback from students. It contributes to the development of a sense of community within a department and it adds a further dimension to the range of support services offered to students.

Volunteers for the role of class representatives will be called early in the semester. The OUSA invites all class representatives to a training session, conducted by OUSA, about what it means to be a class representative and some of the possible procedures for dealing with issues that arise. They also provide information on the services that OUSA offers and the role OUSA can play in solving problems that may occur. The OUSA provides support to class representatives during the semester. Departmental staff will also meet with class representatives during the semester to discuss general issues or matters they wish to have considered.

Your class representative's name and contact details will be posted on Blackboard early in the semester.

Concerns about the Course

We hope you will feel comfortable coming to talk to us if you have a concern about the course. The Course Co-ordinator will be happy to discuss any concerns you may have. Alternatively, you can report your concerns to the Class Representative who will follow up with departmental staff. If, after making approaches via these channels, you do not feel that your concerns have been addressed, there are University channels that may aid resolution. For

further advice or more information on these, contact the departmental administrator or head of department.

Academic Integrity and Academic Misconduct

Academic integrity means being honest in your studying and assessments. It is the basis for ethical decision-making and behaviour in an academic context. Academic integrity is informed by the values of honesty, trust, responsibility, fairness, respect and courage. Students are expected to be aware of, and act in accordance with, the University's Academic Integrity Policy.

Academic Misconduct, such as plagiarism or cheating, is a breach of Academic Integrity and is taken very seriously by the University. Types of misconduct include plagiarism, copying, unauthorised collaboration, submitting work written by someone else (**including from a file sharing website, text generation software, or purchased work**) taking unauthorised material into a test or exam, impersonation, and assisting someone else's misconduct. A more extensive list of the types of academic misconduct and associated processes and penalties is available in the University's Student Academic Misconduct Procedures.

It is your responsibility to be aware of and use acceptable academic practices when completing your assessments. To access the information in the Academic Integrity Policy and learn more, please visit the University's Academic Integrity website at www.otago.ac.nz/study/academicintegrity, or ask at the Student Learning Centre (HEDC) or the Library, or seek advice from your paper co-ordinator.

For further information:

Academic Integrity Policy

<http://www.otago.ac.nz/administration/policies/otago116838.html>

Student Academic Misconduct Procedures

<http://www.otago.ac.nz/administration/policies/otago116850.html>

Generative Artificial Intelligence and Autonomous Content Creation Policies

<https://www.otago.ac.nz/administration/policies/policy-collection/use-of-generative-artificial-intelligences-and-autonomous-content-generation-in-learning-and-teaching-policy>

Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.