San José State University  
Department of Economics  
Econ 235—Seminar in Monetary Theory and Policy  
Course No. 28494, Spring 2020

Instructor: Jeffrey Rogers Hummel  
Office Location: DMH 144  
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Email: Jeffrey.Hummel@sjsu.edu  
Office Hours: Tuesday, 4:30-6:00 P.M.; Thursday, 1:00-2:30 P.M.; and by appointment  
Class Days/Time: Thursday, 6:30-9:15 P.M.  
Classroom: DMH 166  
Prerequisites: Econ 1A and Econ 102, or instructor consent

Course Description
Concentration on the theoretical aspects of money and monetary policy. Early and modern theories of money demand; early Keynesian and Monetarist monetary analysis; expectations and dynamic monetary business cycles; monetary policy under the Keynesian, Monetarist and New Classical assumptions; open economy monetary theory.

Course Learning Outcomes and Program Learning Objectives
From the perspective of modern monetary theory, we will examine the historical evolution of money and its impact on economic activity and prices. In the process, we will consider, compare, and contrast alternative monetary policies and regimes. This course emphasizes Economics MA PLOs 2 (Macroeconomics) and 4 (Specialist Areas: Financial Economics and Policy Economics). Students should come to the course having some familiarity with both macroeconomic models and the modern financial system.

Course Learning Outcomes
Upon successful completion of this course, students will be able to:

Explain money’s vital function and how it interacts with banking and the financial system.

Explain how the interaction of the demand and stock of money determine the price level.

Explain seigniorage and the role it has played in the history and evolution of government involvement in the monetary and financial system.

Explain the complicated relationships between money, interest rates, and fiscal policy.

Have some familiarity with the various factors that play a role in financial crises.
Required Texts/Readings

Textbooks

Other Readings
In addition to the above, the red Course Reader contains copies of or links to additional readings assigned for each week. Available at Maple Press, 330 South 10th Street.

Classroom Protocol
We will conduct this class as a graduate seminar. Rather than only listening to lectures, students should be prepared to discuss the assigned readings for each session. Participation in these discussions will determine 15 percent of a student's overall grade. If a student misses a class, they must turn in at the next class a brief written summary of the readings assigned for the class they missed. These written summaries must be at least 400 words long in total, neatly typed, but no longer than 500 words. I also encourage students to record classes if they believe doing so will help their studying.

Assignments and Grading Policy
Participation in class discussions will determine 15 percent of a student's overall grade. The final examination, which will be comprehensive, is worth another 50 percent out of the total of 100, whereas a mid-term examination is worth 35 percent.

Converting number grades to letter grades:

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<tr>
<th>Number</th>
<th>Letter</th>
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<tbody>
<tr>
<td>97-100</td>
<td>A+</td>
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<tr>
<td>93-96</td>
<td>A</td>
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<td>90-92</td>
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<td>87-89</td>
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<td>below 60</td>
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Finally, if you experience any difficulty in this course, please do not hesitate to come to me for help. I am available not only during office hours but also by phone, and I am always happy to clarify hard concepts, resolve any lingering confusion, or otherwise assist you in making this course enjoyable and rewarding.

University Policies
Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate
### Econ 235—Seminar in Monetary Theory and Policy  
**Spring 2020: Course Schedule**

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topics, Readings, Assignments, Deadlines</th>
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<tbody>
<tr>
<td>1</td>
<td>Jan 23</td>
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<tr>
<td>2</td>
<td>Jan 30</td>
<td>McCulloch, ch. 1; White, ch. 1.</td>
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<td>3</td>
<td>Feb  6</td>
<td>McCulloch, chs. 2-3; Mankiw, pp. 79-92 (ch. 4 through 4.2).</td>
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<td>4</td>
<td>Feb 13</td>
<td>White, ch. 2.</td>
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<td>5</td>
<td>Feb 20</td>
<td>McCulloch, chs. 4, 7; Mankiw, pp. 92-118.</td>
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<td>6</td>
<td>Feb 27</td>
<td>White, chs. 3-4; Mankiw, ch. 19.</td>
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<td>7</td>
<td>Mar  5</td>
<td>White, chs. 5-6.</td>
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<td>8</td>
<td>Mar 12</td>
<td>McCulloch, ch. 5; White, chs. 7-8.</td>
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<td>9</td>
<td>Mar 19</td>
<td>mid-term examination.</td>
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<td>10</td>
<td>Mar 26</td>
<td>McCulloch, ch. 6; Mankiw, pp. 388-399, 453-56.</td>
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<td>Apr  2</td>
<td>Spring break.</td>
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<td>11</td>
<td>Apr  9</td>
<td>White, chs. 9-10; Mankiw, pp. 463-65.</td>
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<td>12</td>
<td>Apr 16</td>
<td>White, ch. 11, Mankiw, pp. 415-16, 457-60.</td>
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<td>14</td>
<td>Apr 30</td>
<td>Mankiw, ch. 16.</td>
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<td>15</td>
<td>May  7</td>
<td>Mankiw, ch. 5 (including appendix).</td>
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<td>Final Exam</td>
<td>Dec 14</td>
<td>DMH 166: <strong>6:30 to 8:45 P.M.</strong></td>
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In addition to the above, the red Course Reader contains copies of or links to short, supplementary readings assigned for various weeks.
Optional Recommended Readings:

Money and Banking Texts


Monetary Theory


(continued)
Optional Recommended Readings (continued):

Monetary History


Monetary and Financial Reform