

**ECO 4932: Topics in Theory**  
**Monetary Economics**  
Fall 2024  
Department of Economics  
Florida International University

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Office Hours: Monday (6: 25-7:25 pm), Wednesday (2: 25-3:25 pm), and by appointment

**Course description and purpose**

In this course we will first develop the tool to be used throughout the semester: the simple overlapping generations model of dynamic economies. We will next apply it to study how the money and capital markets work and how the foreign exchange market operates.

**Prerequisites:** Intermediate Microeconomics, Principles of Macroeconomics

**Textbook:** Camp, Freeman, and Haslag, *Modeling monetary economies*, 5<sup>th</sup> edition, Cambridge University Press.

**How to succeed in this class**

This is a problem-solving course. The more problems you solve, the better you become. The textbook has many problems and exercises, some of which we will work out in class. The exams will ask you to solve similar questions.

**Course requirements / grading**

Your course grade will be based on two mid-term exams and the final exam.

<i>Requirements</i>	<i>Dates</i>	<i>Weights</i>
Mid-term exam I	September 25	0.3
Mid-term exam II	October 19	0.3
Final exam	TBA	0.4

N.B. The exam dates may be subject to change.

N.B. *Make-up exams:* Make-up exams are given only under extenuating circumstances (for example, an illness that requires a doctor's attention, a death in your immediate family) and only if the instructor is informed prior to the exam time (via email). Examples of non-extenuating circumstances include "attending a friend's wedding" and "a tire blowing up on the way to the exam").

Your final grades are assigned as follows (there may be +'s and -'s):

*A = 90% or above,*

*B = 80 - 89%*

*C = 70 - 79%*

$D = 60 - 69\%$

$F = 59\% \text{ or lower}$

**Course topics:** *Note that this syllabus is not a fixed document. It is subject to revisions.*

*Week beginning on      Chapters and topics*

8/26    *chapter 1: The economy and the planner's solution*

9/2     *chapter 3: The simple model of money (No classes on 9/2)*

Read: Radford, R.A., 1945, The economic organization of a P.O.W. camp, *Economica*.

Read: Friedman, M., 1994, An island of stone money, chapter 1 in *Money Mischief*.

9/9     *chapter 3: (continued), chapter 5: Inflation*

9/16   *chapter 5: (continued)*

9/23   *Review and mid-term exam 1*

9/30   *chapter 6: International monetary system*

10/7   *chapter 6: (continued), chapter 7: Price surprises*

10/14  *chapter 7: (continued)*

10/21  *chapter 8: Capital*

10/8   *Review and mid-term exam 2*

11/4   *chapter 9: Liquidity and financial intermediation (11/4: Last day to drop with a DR grade)*

11/11  *chapter 10: Central banking and the money supply (No classes on 11/11)*

11/18  *chapter 11: Money stock fluctuation*

11/25  *chapter 12: Fully backed central bank money (Thanksgiving week)*

12/2   *Review for the final exam (12/7: Last class day)*

Time permitting, additional topics from chapters 13 – 15, may be covered.