



Department of Economics Course Outline

Term: Winter 2006

Course: Economics 641
[Monetary & Financial Economics]

Section: 01

Time: M W 10:00 ? 11:15

Place:
SS 423

Instructor: Dr. A. Serletis

Office:
SS 408

Telephone: 220-4092

Office Hours:
MW 13:00 ? 14:00

E-Mail: serletis@ucalgary.ca

Textbook(s):

- [1] John Y. Campbell, Andrew W. Lo, and A. Craig MacKinlay, *The Econometrics of Financial Markets*, Princeton: Princeton University Press, 1997. **Recommended**
- [2] Thomas E. Copeland and J. Fred Weston, *Financial Theory and Corporate Policy*, Addison Wesley, 2005. **Required**
- [3] Frederic S. Mishkin, and Apostolos Serletis, *The Economics of Money, Banking, and Financial Markets*, Second Canadian edition, Addison Wesley, 2004. **Required**

Book(s) on Reserve:

Thomas E. Copeland and J. Fred Weston, *Financial Theory and Corporate Policy*, Addison Wesley, 2005.

Frederic S. Mishkin and Apostolos Serletis, *The Economics of Money, Banking and Financial Markets*, Second Canadian edition, Addison Wesley, 2004.

Course Outline:

1. The Predictability of Asset Returns
 - [1] Chapters 1 & 2
 - [3] Chapters 4 & 5
2. Asset Pricing Theory
 - [2] Chapters 6 and 7
3. Present-Value Relations
 - [1] Chapter 7
4. Fixed-Income Securities
 - [1] Chapter 10
 - [3] Chapter 6
5. Intertemporal Equilibrium Models
 - [1] Chapter 8
6. Nonlinearities in Financial Data
 - [1] Chapter 12
 - [3] Chapter 27

William A. Barnett and Apostolos Serletis. "Martingales, Nonlinearity, and Chaos,"
Journal of Economic Dynamics and Control 24 (2000), 703-724.

Apostolos Serletis and Mototsugu Shintani. "No Evidence of Chaos But Some Evidence of Dependence in the U.S. Stock Market," *Chaos, Solitons, and Fractals*, 17(2003), 449-454.

Grade Determination and Final Examination Details:

There will be one mid-term, a final exam, and a paper. The weights of these in the course grade are as follows:

Midterm exam	20%
Final exam	30%
Paper	50%

Before you start working on the paper, you need to write a one-page prospectus and get it approved by me. Suggested types of papers: 1) survey of some literature related to the course, 2) an econometric test of some model related to the course. Particularly people with an interest in econometrics may wish to consider this possibility.

The final examination will be scheduled by the instructor and will last two hours; it will be held during the final exam period in the classroom. A passing grade on any particular component of the course *is not* essential to pass the course as a whole. Programmable or non-programmable calculators will be allowed during the writing of tests or final examinations. Tests and exams will not involve multiple choice questions.

Tests and final exams are marked on a numerical (percentage) basis, then converted to letter grades. The course grade is then calculated using the weights indicated. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	96 - 100	B+	81 - 84	C+	68 - 71	D+	55 - 58
A	89 - 95	B	76 - 80	C	63 - 67	D	50 - 54
A-	85 - 88	B-	72 - 75	C-	59 - 62	F	0 - 49

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor, *at the instructor's discretion*, feels it is necessary to more fairly represent student achievement.

Part marks of 0.5 or above will be rounded up; those below 0.5 will be rounded down.

Students? Union Vice-President, Academic:

Paige Forsyth

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Students' Union Faculty Representative (Social Sciences)

Teale Phelps-Bondaroff

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Society of Undergraduates in Economics (S.U.E.)

www.fp.ucalgary.ca/econ

Notes:

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within 15 days* of the work being returned to the class.
- Make-up examinations and deferred examinations will not be given *except in cases of extreme personal emergencies*. Also, examinations will not be given *before* the indicated dates.

Safewalk / Campus Security: 220-5333

AS/mi

2005-11-15