

**INTERAMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
ECONOMICS & ADMINISTRATIVE SCIENCES FACULTY
MBA PROGRAM**

- I. Title of Course : Monetary Theory and Policy
- Code and Number : BADM 6220
- Credits : 3 (Three Credits Hours)
- Requisites : None
- Trimester : _____
- Office Hours : _____
- Instructor : Dr. Víctor L. Castillo

II. Description: Analysis of the economic interrelations between the monetary supply and demand and the influence of these on the general level of economic activity. Study of the formulation and implementation of today's monetary policies.

III. Objectives:

At the end of the course the students will have the skills to:

1. Recognize and describe the macroeconomic interrelations of money.
2. Analyze the economic problems according to the theories of money.
3. Study and evaluate economic policy in different situations such as growth or recession.

IV. Outline:

A. Topic: Macroeconomy , Economic Activity and Money

1. Subtopic

- a. General Macroeconomic Theory
- b. Functions of Money
- c. Economic Activity and Money

2. Subtopics

- a. The classical Theory on Money
- b. Keynesian Theory on Money
- c. Foundations of Monetarism

B. Topic: Money and Economic Problems

1. Subtopics

- a. Money Supply and Demand for Money
- b. Money Market

2. Subtopics

- a. Inflation
- b. Recession and Unemployment
- c. Balance of Payments deficits
- d. Devaluation of currencies
- e. Investment and interest rate

C. Topic: Economic Policy

1. Subtopics

- a. Central Banking
- b. Federal Revenue System

2. Subtopics

- a. Tools of Monetary Policy
- b. Fiscal Policy versus Monetary Policy
- c. Expansive and Contraction Policies and Money Supply

3. Subtopics

- a. Debate among Monetarism and Keynesianism

V. Activities:

- A. Conferences
- B. Research of selected current issues
- C. Class Reports on selected topics

VI. Evaluation:

- A. Two examination tests
- B. One Research Paper

VII. Special Notes:

- A. **Special Accommodations**

Students who require special accommodations must request these services at the beginning of the course as soon as they notice that they need help. Students can access this service with Professor Jose Rodriguez, Coordinator of Students with Special Needs at the Guidance and Counseling Office on the first floor at Metro's Student Center.

B. Plagiarism

Plagiarism, dishonesty, fraud and any other type of manipulation or inappropriate behavior related with academic performance are unacceptable in our institution. Disciplinary actions will be taken on students found guilty of such practice as established in Chapter V, Article 1, Section B.2 of the Student's Rules and Regulations handbook.

<http://metro.inter.edu/servicios/documentos/reglamentosestudiantes2006.pdf>

Inter American University has very strict regulations regarding plagiarism (using the ideas or words of others without giving proper credit), so it is important that you specifically read Chapter 5, Article 1, Section B.2c of the Student's Rules and Regulations Handbook. This section clearly explains what plagiarism is. In addition, it explains the types of sanctions students are exposed to when they commit it.

C. Use of Electronic Devices

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with in an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or examinations is prohibited.

VIII. Educational Resources:

1. Mishkin, Frederick; *The Economics of Money, Banking and Financial Markets*, Addison Wesley, Latest Edition, New York.
2. Federal Reserve Monthly Report, FED, New York.
3. Castillo, Víctor; *Política Económica: Lecturas de Introducción*, Ed. Publicaciones Puertorriqueñas, San Juan, 2005, 2nd Edition.

IX. Bibliography:

1. Miller & Van Hoose; *Macroeconomics, theories, policies and international applications*, South Western, USA, Latest Edition.
2. Tobias, Adrian, Hyun Song Shin; *Liquidity, Monetary Policy and Financial Cycles*; Federal Reserve Bank of N.Y. 2010.
3. Pesenti, Paolo, Tille Cedric; *The Economics of Currency Crisis and Contagion: and Introduction*, FED, New York, 2010.

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