

ECN 440: BOOMS, BUSTS, PANICS AND MANIAS
Fall 2017

Lecture Time and location: Tuesday, 6:30 – 9:30 p.m., KHE-321C

Lower Liberal Studies Course
Lectures are 3 hours per week

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Ryerson e-mail accounts are to be used for all communication between faculty and students.

1. Course Description

This course addresses a historical tendency for the financial and stock markets to exhibit periodic unstable cycles or speculative booms, followed by market downturns, instability or in the extreme, total collapse. These patterns of cyclical behaviour are illuminated by focusing on crises, beginning with the Tulip Mania. The South Seas Bubble, the 1929 Crash, the dot.com collapse and the more recent financial crisis are included. Current economic issues, whenever applicable, will be presented and examined in the light of these case studies.

2. Course Topics

- 2.1 Introduction to financial crisis
- 2.2 Anatomy of a typical crisis
- 2.3 Speculative manias
- 2.4 Euphoria and economic booms
- 2.5 International and bubble contagion
- 2.6 Frauds, swindles and the credit cycle
- 2.7 Policy responses
- 2.8 Lender of last resort: domestic and international
- 2.9 The lessons of history

3. Main References:

- Chancellor, Edward, *Devil Take the Hindmost: A History of Financial Speculation*, Plume Books, 2000. [CH]
- Kindleberger, Charles P. and Aliber Robert, *Manias, Panics and Crashes: A History of Financial Crises*, 6th edition, John Wiley & Sons, 2011 or 7th edition, Palgrave Macmillan, 2015. [KA]
- Garber, Peter, *Famous First Bubbles: The Fundamentals of Early Manias*, MIT Press, 2001. [GAR]
- Hsu, Sarah, *Financial Crises, 1929 to the Present*, Edward Edgar, 2013. [HSU]
- Roubini, Nouriel and Mihm, Stephen, *Crisis Economics: A Crash Course in the Future of Finance*, Penguin Press, 2010. [RM]
- Galbraith, J.K., *The Great Crash 1929*, Riverside Press, 1997 or 2009. [GAL]
- McElvain, Robert S., *The Great Depression: America 1929-1941*, Times Books, 2009. [MCE]
- Cassidy, John, *Dot.con: how America lost its mind and money in the Internet era*, Penguin, 2005. [CAS]
- Rapp, Donald, *Bubbles, Booms and Busts: The Rise and Fall of Financial Assets*, Springer, 2009. [RAP]

4. Course Evaluation

	Weight	Date	Duration	Type
Online Stock Market Game & Report	20%	Sep 25 – Oct 20 Due: Oct 31	4 to 5 weeks	Online Contest and Report
Term Paper	20%	Due: Nov 21	Whole term	Essay
Mid-term Test	20%	October 31	90 minutes	Multiple-choice
Final examination	40%	December 5	120 minutes	Essay

Students are expected to attend lectures, keep up with the course material and prepare adequately for lectures, test and the final examination. Students are responsible for all material covered in the chapters, with particular emphasis on material discussed in the lectures. Attendance will be checked at every class, from the third week onwards. There will be penalty for late submission of any written assignment (1% per day, out of 20%). Students who have valid reason(s) for late submission should seek prior approval before the due date.

Online Assignment/ Report

There will be an online stock market game, conducted through simvest.com. Registration is required and is free. Students should use the unique link on D2L Brightspace to access the contest, or login directly using the following game website link: <http://www.simvest.com/stock-market-game/join-a-contest.php?cid=66799>.

At the end of the second week, each student will be invited to join a private contest by email, which will provide the password to log into the relevant contest for this course. The contest will start from the fourth week and will run for about 4 weeks. Further details about the contest will be given out in class. Please note that students cannot use any other online contests for this course.

At the end of the contest, each student will have to submit a report of not more than 1,500 words, discussing the strategies and the results. Each report should include records of account summary, trading history and research done on a weekly basis, placed in the appendix. The guidelines for the report will be posted on Ryerson D2L Brightspace. The report will be due on October 31, 2017 and will account for 20% of the final grade. Students who participate in the contest but do not submit the report will only receive a maximum of 5%. Bonus marks of up to 1% will be awarded in each of the four weeks to the top ten students who can increase the value of their portfolio during the week.

Term Paper

Towards the end of the term (on/before November 21, 2017), each student will have to submit a term paper of at least 1,500 words and not more than 2,500 words on the issues/topics covered in this course. The term paper should be typed, double-spaced and contains a title page and bibliography. The guidelines for the term paper will be posted on Ryerson D2L Brightspace.

In the term paper, students will have to research on and discuss any two of the following case studies:

1. Tulip Mania (1636)
2. The South Sea and Mississippi Bubbles (1720)
3. The Railway Mania of the 1840s
4. The Great Depression of the 1930s
5. The Latin American Debt Crisis of the 1980s
6. The Japanese Bubble Economy in the 1980s
7. The Mexican Crisis of 1994-1995
8. The Asian Financial Crisis of 1997-1998
9. The Dot.com Bubble in the late 1990s
10. The Great Recession in 2007-2009

The University has subscribed to the Turnitin service which helps professors identify internet plagiarism and helps students maintain academic integrity. The work submitted by students in this course will be submitted to Turnitin. Students who do not want their work submitted to this plagiarism detection service must, by the end of the second week, consult with the instructor to make alternate arrangements.

Test and Final Examination

The mid-term test will consist of multiple choice questions and will be conducted in the last week of October. Mid-term test results will be posted within one week of the test date and returned to students for review within two weeks. The final examination at the end of the term will consist of essay-typed questions.

Students who missed a test/exam due to exceptional circumstances and who present appropriate documentation in a timely manner (see section on examination policy below in Common Departmental Course Management Policy) may receive the following accommodations:

For a missed midterm test, a makeup test will be scheduled within one week of the missed date. If a makeup test cannot be arranged, the weighting of the test will be redistributed to other assessment components, with the final exam accounting for 60%. For the missed final examination, a makeup exam will have to be scheduled and written at the Makeup Test Centre.

5. Lecture Schedule:

Week #	Topics / Case Studies	Main References*
1	Introduction: anatomy of a typical crisis	KA: chapters 1, 2, 3
2	Tulip Mania	CH: chapter 1 GAR: section II
3	South Sea and Mississippi Bubbles	CH: chapter 3 GAR: section III
4	Railway Mania	CH: chapter 5
5-6	Great Depression	CH: chapters 6, 7 GAL: chapters V and IX MCE: chapters 2, 4, HSU: chapter 2
7	Latin American Debt Crisis	HSU: chapters 3, 4
8	Mid-term Test	--
9	Japanese Bubble and the Lost Decade	CH: chapter 9 HSU: 68-74
10	Currency Crises in Emerging Markets	HSU: chapter 6
11	The Dot.com Bubble	CAS: chapters 20, 21 RAP: pages 174-186
12	The Global Recession in 2007-2009	RM: chapters 1 to 4 HSU: chapter 8 KA: chapters 13, 14

Notes: *Besides the main references, there will be other supplementary references to be announced during lectures. # Lecture weeks do not include the reading week.

Tutorials, Announcements and Faculty Course Survey

Most of the classes will be devoted to lectures. However, there will be tutorial sessions before/after the test. All supplementary course materials and important announcements, including marks for assignments and test will be posted via [Ryerson D2L Brightspace](#). There will be faculty course surveys in mid-November.

6. Liberal Studies Courses - Restrictions

Certain liberal studies courses, due to their close relation to the professional fields, cannot be taken for Liberal Study credit by students in some programs. Students should consult the Liberal Studies section of Ryerson's calendar for a list of these programs and the restricted courses.

7. Useful Support Centres

Economics Help Centre

This centre (LIB-549, economics.ryerson.ca/index.php/economics-help-centre) provides support for Ryerson students in all programs with their economics skills. It also offers drop-in tutoring sessions for individuals and small groups.

Writing Center/English Language Support

Students who feel that their language skills need to be improved should visit the Writing Centre at Ryerson (LIB 272B, writingcentre.blog.ryerson.ca/). The Writing Centre offers a series of workshops and other tools to help students improve their writing/verbal skills.

For students whose first language is not English the **English Language Support** (www.ryerson.ca/student-services/els/) offers task-based academic language workshops, individual help with written assignments, one-on-one conversation and pronunciation practice, as well as help with reading listening and oral presentations.

Math Assistance Centre

The Math Assistance Centre (LIB-549, www.ryerson.ca/mathcentre/) is there to support students across campus with their math skills and math-related courses. The Math Assistance Centre currently offers individual tutoring, as well as running Facilitated Study (FA-ST) groups.

Access Centre

Students with disabilities who need special (access or academic) accommodations should register with the Access Centre in order to receive the proper accommodations in this course. The Access Centre webpage is www.ryerson.ca/student-services/accesscentre/

8. Common Departmental Course Management Policy

Students are expected to be familiar with all Senate policies regarding course management and academic conduct. These policies can be found on the Senate's webpage: www.ryerson.ca/senate/policies/index.html. For Economics programs, please contact either the Department of Economics Undergraduate Program Administrator or the Graduate Program Administrator.

Code of Conduct and Academic Dishonesty

Students are expected to abide by the Code of Conduct which can be found on <http://www.ryerson.ca/senate/student/index.html>. Particular attention should be placed on the sections dealing with academic dishonesty.

The [Ryerson Student Code of Academic Conduct](http://www.ryerson.ca/academicintegrity) defines academic misconduct, the processes the University will follow when academic misconduct is suspected, and the consequences that can be imposed if students are found to be guilty of misconduct. Further information is also available at www.ryerson.ca/academicintegrity.

Academic misconduct includes:

- plagiarism (claiming words, ideas, artistry, drawings or data of another person as your own, including submitting your own work in whole or in part in more than one course)
- cheating
- misrepresentation of personal identity or performance
- submission of false information
- contributing to academic misconduct
- damaging, tampering, or interfering with the scholarly environment
- unauthorized copying or use of copyrighted materials
- violations of departmental policies on professional behavior and/or course requirements

Examination Policy

- (i) No permission is ever given to a student to write a mid-term exam or final exam in advance of its date.
- (ii) A student who misses a mid-term exam can receive the accommodations outlined in the syllabus only if all of the following conditions are met:
 - (a) The student **notifies the student's own program office** or by nonprogram students enrolled in Chang School courses to the Chang School front desk *via e-mail and in advance of or during* the date and time of the test or exam, or when the assignment is due.

- (b) The student **submits a Ryerson University Student Medical Certificate** (www.ryerson.ca/content/dam/senate/forms/medical.pdf) AND **Academic Consideration Document** (www.ryerson.ca/senate/forms/academic_consideration_document_submission.pdf) to the student's own program office or by nonprogram students enrolled in Chang School courses to the Chang School front desk **within 3 working days** of missed or affected classes, assignments or exams.
- (c) Note: non BA in International Economics and Finance students taking ECN courses should submit the documentation to their own program office.
- (iii) Ryerson policy states that students who present appropriate documentation should get a make-up exam if:
- The missed exam is one of only two course assessments (e.g. there is one mid-term and a final)
 - The missed exam is worth more than 30% of the course grade
- If none of these two situations apply whether to provide make-up exams or not is at the discretion of the instructor. In this case, the instructor and the student should agree to the new distribution in writing (the instructor can send an e-mail to the student with the new distribution of grades and ask him/her to send a confirmation response).
- (iv) If a student misses a scheduled make-up of a mid-term exam, assignment or other assessment for verifiable reasons, the grade may be distributed over other course assessments even if that makes the grade on the final exam worth more than 70% of the final grade in the course. If a student misses a scheduled mid-term make-up exam or assignment, without a verifiable reason, a grade of "0" may be assigned.

Except where there are verifiable reasons, and the student and instructor have agreed to a rescheduled make-up final exam, students who miss a scheduled make-up of a final exam will receive a "0" for that exam.

Lecture and Exam Rules

- Students should check my.ryerson.ca regularly for announcements.
- Students should silence all cell phones before entering the lecture hall.
- For all exams: digital dictionaries, PDAs, cell phones and other electronic devices are not allowed. Books, papers, knapsacks and briefcases stay at the front or side of the lecture hall. The only items that you may have with you are pens, pencils, calculator (if allowed), identification, purses and coats. If you do not follow these rules you may be charged with academic dishonesty.
- For essays: Students should be very careful when using other people's ideas in their own work. Plagiarism is a serious offence that carries severe penalties. Ryerson regulations on plagiarism can be found at: www.ryerson.ca/academicintegrity/ under the Undergraduate or Graduate link.

Religious Observance Policy

- While it is strongly encouraged that students make requests within the first two weeks of class. Requests for accommodation of specific religious or spiritual observance must be presented by students enrolled in full-time and part-time degree programs (both for day courses and courses taken at the Chang School) to the *student's own program office* or by nonprogram students enrolled in Chang School courses to the Chang School front desk no later than two weeks prior to the conflict in question (in the case of final examinations within two weeks of the release of the examination schedule).
- The student's program office or the Chang School will notify you when they have received the request form, and arrangements can be made for you to view this form directly. In extenuating circumstances this deadline may be extended. If the dates are not known well in advance because they are linked to other conditions, requests should be submitted as soon as possible in advance of the required observance. The program office will contact the instructor.
- To arrange an alternative date or time for a final exam scheduled in the formal period, students must complete an exam accommodation form which can be obtained on www.ryerson.ca/currentstudents/forms/index.html. The religious observance policy designed by senate can be found at www.ryerson.ca/senate/policies/pol150.pdf.

Exceptional circumstances

- If unforeseen circumstances arise that can potentially affect a student's performance in the course (financial distress, health/family problems...) the student must inform the student's own program office as soon as possible. It would do no harm to also inform the instructor. Failure to raise the issue in a timely matter could affect the ability to successfully appeal a course grade.

Grade Appeal Policy

If a student thinks that there has been an error in the recording or calculation of a grade he/she should follow these steps:

- (i) **Talk to the instructor within 10 working days** after the graded work is returned to the class
- (ii) If he/she cannot resolve the issue with the instructor, the student can make a *formal request* for a grade revision, *in writing*, to the appropriate Program Director, the Undergraduate Program Director or the Graduate Program Director. Formal requests for grade revisions should be filed before the appeals deadline. Semester-specific appeal deadlines can be found in the Ryerson Calendar under Significant Dates.
- (iii) Students who request a regrading of their work, should be aware that as a result of the reassessment their grade could increase, decrease, or remain the same. The grade determined after the reassessment will be the student's final grade.
- (iv) The Academic Consideration and Appeals Policy, which establishes the guidelines for formal appeals can be found at www.ryerson.ca/senate/policies/pol134.pdf.
- (v) ***Grade appeals or regrading requests filed after the appeals deadline will not be accepted.***