



School of Economic and Financial Studies

## UNIT OUTLINE

**MASTER OF ECONOMICS BY COURSEWORK**

**ECON842 PRINCIPLES OF MONETARY ECONOMICS**

Semester 2, 2003

- I. Course Requirements
- II. Assessment
- III. Topics Outline
- IV. General References
- V. References
- VI. Essay topics and references

Dr P C Ip  
Senior Lecturer in Economics

## **I. COURSE REQUIREMENTS**

Students should attend all lectures and submit an essay on one of the topics listed at the end of this Study Guide or on a topic approved by the Lecturer-in-Charge. Besides a three-hour final examination, there is a written assignment which is to be submitted in the last lecture. The essay is due on **14 October, 2003**.

## **II. ASSESSMENT**

Essay	30%
Assignment	10%
Final Examination	60%
	——
	100%
	——

## **III. TOPICS OUTLINE**

- I. Role of Money in the Economy
- II. Rational Expectations and Monetary Theory
- III. Money Supply Process
- IV. Optimum Money Supply
- V. Demand for Money
- VI. Financial Model Building
- VII. Theory of Interest Rates
- VIII. Term Structure of Interest Rates
- IX. Ricardian Equivalence
- X. Credit Rationing

#### IV. TEXTBOOKS AND GENERAL REFERENCES

##### **Textbook:**

Lewis, M. K. and P. D. Mizen, *Monetary Economics*, Oxford: Oxford U. P., 2000.

##### **Reference Books:**

Eatwell, J, M. Milgate and P. Newman (eds.) *The New Palgrave: A Dictionary of Economics*, London: Macmillan, 1987.

Friedman, B.M.and F.H. Hahn, *Handbook of Monetary Economics*, Vols. I and II, Amsterdam: Elsevier Science Publishers, B.V., 1990.

Green, C.J. and D. T. Llewellyn (eds.) *Surveys in Monetary Economics*, Vol. 2: Financial Markets and Institutions, Oxford: Blackwell, 1991.

\*Handa, J. *Monetary Economics*, London: Routledge, 2000.

Hoover, K. *The New Classical Macroeconomics: A Sceptical Inquiry*, Oxford: Basil Blackwell, 1988.

Keynes, J.M., *The General Theory of Employment, Interest and Money*, N Y: Harcourt Brace and World, 1936.

Mishkin, F.S. and S. G. Eakins, *Financial Markets and Institutions*, N.Y.: Addison-Wesley, 2<sup>nd</sup> ed., 1998.

Phelps, E.S. (ed.) *Recent Developments in Macroeconomics*, Aldershot: Edward Elgar, 1991.

Scarth, W. M. *Macroeconomics – An Introduction to Advanced Methods*, 2<sup>nd</sup> ed., Dryden, 1996.

Useful websites:

[www.rba.gov.au](http://www.rba.gov.au)

[www.abs.gov.au](http://www.abs.gov.au)

[www.bankofcanada.ca](http://www.bankofcanada.ca)

[www.bankofengland.co.uk](http://www.bankofengland.co.uk)

[www.stls.frb.org](http://www.stls.frb.org)

[www.ny.frb.org](http://www.ny.frb.org)

[www.kc.frb.org](http://www.kc.frb.org)

[www.boj.or.jp](http://www.boj.or.jp)

## V. REFERENCES

### I. FUNDAMENTALS OF MONETARY THEORY: ROLE OF MONEY IN THE ECONOMY

A barter exchange economy

A monetary economy à la Patinkin

Transaction costs and a monetary economy

The Walrasian general equilibrium system

Say's Law

The Classical dichotomy

Patinkin's arguments for the invalidity of the Classical dichotomy

\*Clower, R.W. (1969), "Introduction", Reading 10, 11, 12, 13, 14.

\*Clower, R.W., "The Anatomy of Monetary Theory", *American Economic Review*, 67 (February 1977), 206-212.

Duffie, D. "Money in General Equilibrium Theory," in Friedman and Hahn (1990), 82-100.

Hahn, F.H., "Liquidity", in Friedman and Hahn (1990), 64-80.

\*Handa, J. (2000), Chs. 1, 3, 17.

Howitt, P. "Money Illusion", in *The New Palgrave* (1987), 518-9.

\*Lewis, M. K. and P. D. Mizen (2000), Chs. 1, 2, 3, 4.

Niehans, J., "Money in a Static Theory of Optimal Payment Arrangements", *Journal of Money, Credit and Banking*, 1, (Nov 1969), 706-726.

Niehans, J., (1978), Chs. 1, 6.

Patinkin, D., *Money, Interest and Prices*, 2nd ed, New York: Harper & Row, 1965. chs. 1-8.

\*Patinkin, D. "Neutrality of Money," in *The New Palgrave* (1987), 639-645.

Samuelson, P.A., "Samuelson on the Neoclassical Dichotomy: A Reply", *Canadian Journal of Economics*, 5 (May 1972), 283-292.

Thornton, D. L. "Money in a Theory of Exchange," *FRB of St Louis Review*, 82, 1 (Jan/Feb 2000), 35-60.

## II. RATIONAL EXPECTATIONS AND MONETARY THEORY

The rational expectations hypothesis

Learning

Critique

Begg, D.K.H. *The Rational Expectations Revolution in Macroeconomics: Theories and Evidence*, Phillip Allan, 1982.

Bullard, J.B. "Learning, Rational Expectations and Policy: A Summary of Recent Research," *Federal Reserve Bank of St Louis Review*, 73 (Jan/Feb 1991), 50-60.

Carter, M. and R. Maddock, *Rational Expectations - Macroeconomics for the 1980s?* Macmillan, 1984.

Dotsey, M. "The Importance of Systematic Monetary Policy for Economic Activity," FRB of Richmond *Economic Quarterly*, 85/3 (Summer 1999), 41-59.

\*Handa, J. (2000), Chs. 15, 16.

Keuzenkamp, H.A. "A Precursor to Muth: Tinbergen's 1932 Model of Rational Expectations," *Economic Journal*, 101 (Sept. 1991), 1245-1253

\*Lewis, M. K. and P. D. Mizen (2000), Ch. 9.

Lovell, M.C. "Tests of the Rational Expectations Hypothesis," *American Economic Review*, 76 (March 1986), 110-124.

McCallum (1989) Chaps. 8, 9, 10.

Maddock, R. and M. Carter, "A Child's Guide to Rational Expectations", *Journal of Economic Literature*, 20 (Mar. 1982), 39-51.

\*Muth, J.F. "Rational Expectations and the Theory of Price Movement", *Econometrica*, 29 (July 1961), 315-35.

Scarth, W. M. (1996), Chapters 5, 6

Sheffrin, S.M. *Rational Expectations*, Cambridge: Cambridge U.P., 1983.

### III. THE MONEY SUPPLY PROCESS

The monetary base in Australia  
Money multiplier analysis  
Australia's institutional features  
Money supply control  
Stability of the money multiplier  
Seasonal liquidity pattern in Australia

\*Brunner, K. "Money Supply", in Friedman and Hahn (1990), 357-398.

Friedman, M. and A. Jacobson Schwartz, "Definition of Money: Part 1", *Monetary Statistics for the United States*, New York, 1970.

\*Handa, J. (2000), chs. 10, 11.

\*Lewis, M. K. and P. D. Mizen (2000), Ch. 13.

Tobin, J., "Commercial Banks as Creators of Money" in D. Carson (ed), *Banking and Monetary Studies*, Homewood, Ill. (1963). Reprinted in J. Tobin, *Essays in Macroeconomics*, (1971).

Walter, J.R., "Monetary Aggregates: A User's Guide", FRB Richmond, *Economic Review*, 75/1 (Jan-Feb 1989), 20-28.

#### IV. THE OPTIMUM SUPPLY OF MONEY

The optimum quantity of money  
Theoretical problems  
Empirical problems  
Seigniorage

Bewley, T. "The Optimum Quantity of Money" in J.H. Kareken and N. Wallace (eds.), *Models of Monetary Economics*, Minneapolis, F.R.B. of Minneapolis, 1980.

\*Clower, R.W., "Is there an Optimal Money Supply?", *Journal of Finance*, 25 (May 1970), 425-33.

Clower, R.W., "Is there an Optimal Money Supply? II", in M. Intriligator (ed), *Frontier of Quantitative Economics*, Amsterdam: N-H, 1971, 289-99.

Freeman, S. "Resolving Differences over the Optimal Quantity of Money," *Journal of Money, Credit and Banking*, 25 (Nov 1993), 801-11.

\*Friedman, M. "The Optimum Quantity of Money", in Friedman (1969).

Howitt, P. "Optimum Quantity of Money," in *The New Palgrave* (1987), 744-745.

Johnson, H.G., "Is there an Optimal Money Supply", *Journal of Finance*, 25 (May 1970), 435-442.

Klein, B., "The Competitive Supply of Money", *Journal of Money, Credit And Banking*, 6 (Nov 1974), 423-53.

Mulligan, C.B. and X. X. Sala-i-Martin, "The Optimim Quantity of Money: theory and Evidence," *Journal of Money, Credit and Banking*, 29, No. 4, Part 2 (Nov 1997), 687-715.

Samuelson, P.A., "Non-optimality of Money Holding Under 'Laissez- Faire'", *Canadian Journal of Economics*, 2 (May 1969), 303-308.

Stein, J.L., "The Optimal Quantity of Money", *Journal of Money, Credit and Banking*, II, 4 (November 1970), 397-419.

Tobin, J., "Notes on Optimal Monetary Growth", *Journal of Political Economy*, 76 (July/August 1968), 833-859.

Tsiang, S.C., "A Critical Note on the Optimal Suply of Money", *Journal of Money, Credit and Banking*, 1 (May 1969), 266-280.

Wolman, A. L. "Zero Inflation and the Friedman Rule: A Welfare Comparison", *FRB of Richmond Economic Quarterly*, 83 (Fall 1997), 1-21.

Woodford, M. "The Optimum Quantity of Money," in Friedman and Hahn (1990),

## V. THE DEMAND FOR MONEY

The Classical quantity theory  
The Cambridge equation  
Baumol's inventory-theoretic approach  
Keynes' liquidity preference theory  
Tobin's risk aversion theory of liquidity preference  
Friedman's modern quantity theory of money  
Buffer stock money  
Identification problems  
Stock adjustment and distributed lag models  
Stability analysis

Baumol, W.J., "The Transactions Demand for Cash: An Inventory- Theoretical Approach", *Western Journal of Economics*, 66 (Nov 1982), 545-556. Also in Thorn (1966).

Belongia, M.T. and J.A. Chalfant, "The Changing Empirical Definition of Money: Some Estimates from a Model of the Demand for Money Substitutes," *Journal of Political Economy*, 97 (Apr 1989), 387-97.

Bernanke, B.S. and A.S. Blinder, "Credit, Money and Aggregate Demand", *American Economic Review*, 78 (May 1988), 435-439.

Blundell-Wignall, A., "Money Demand, Own Interest Rates and Deregulations", RBA, *RDP*, 8703, May 1987.

de Brouwer, G., I. Ng and R. Subbaraman, "The Demand for Money in Australia: New Tests on an Old Topic," Sydney: RBA, *RDP* 9314., Dec. 1993.

Dickey, D.A., D.W. Jansen and D.L. Thornton, "A Primer On Cointegration with an Application to Money and Income," *FRB of St Louis Review*, 73 (Mar/Apr 1991), 58-78.

*Empirical Economics*, Vol. 23, No. 3, 1998.

\*Friedman, M., "The Quantity Theory of Money: a Restatement" in *Studies in the Quantity Theory of Money*, U. of Chicago P, 1958.

\*Handa, J. (2000), Chs, 2, 4, 5, 6, 7, 9.

\*Lewis, M. K. and P. D. Mizen (2000), Ch. 5, 6, 7, 11.

McCallum, B. T. and M. Goodfriend, "Demand for Money: Theoretical Studies," in *The New Palgrave* (1987).

Miller, M.H. and D. Orr, "A Model fo the Demand for Money by Firms", *Quarterly Journal of Economics*, 80 (Aug 1966), 413-35.

\*Tobin, J., "Liquidity Preference as Behaviour Towards Risk", *Review of Economic Studies*, 25 (Feb 1958), 65-86.



## VI. FINANCIAL MODEL BUILDING

Pitfalls in financial model building

Adding up constraints

Dynamics of adjustment

Tobin's "A General Equilibrium Approach to Monetary Theory"

Tobin's Nobel Lecture

Critique of Tobin

Backus, D.K., W.C. Brainard, G. Smith and J. Tobin, "A Model of US Financial and Nonfinancial Economic Behaviour", *Journal Of Money, Credit And Banking*, 12 (May 1980), 259-93.

\*Brainard, W.C. and J. Tobin, "Pitfalls in Financial Model Building", *American Economic Review*, LVIII (May 1968), 99-122.

Clinton, K., "Pitfalls in Financial Model Building: Comment". *American Economic Review*, 63 (Dec 1973), 1003-4.

Ladenson, M.L., "Pitfalls in Financial Model Building: Some Extensions", *American Economic Review*, 61 (Mar 1971), 179-186.

Matthews, K. "Modelling the Monetary Sector," in Green and Llewellyn (1991), Vol 1, Ch. 6, 324-78.

\*Tobin, J., "A General Equilibrium Approach to Monetary Theory", *Journal of Money, Credit and Banking*, 1 (Feb 1969), 15-29.

\*Tobin, J., "Money and Finance in the Macroeconomic Process", *Journal of Money, Credit and Banking*, VIV (May 1982), 171-204.

Tobin, J. and J.B. de Macedo, "The Short Run Macroeconomics of Floating Exchange Rates: An Exposition" in J.A. Chipman and C.P. Kindlebeyer (Eds), *Flexible Exchange Rates and the Balance of Payments*, Amsterdam, N-H, 1980, 5-28.

## VII. THEORY OF INTEREST RATES

The Classical theory  
The loanable funds (LF) theory  
Keynes' liquidity preference (LP) theory  
Conflict between LF and LP theories  
Tsiang's resolution of the conflict  
The Fisher effect  
Invariance of interest rate to monetary policy  
Inflation and real interest - Mundell  
Empirical test of the Fisher effect  
The Gibson Paradox  
The Darby hypothesis  
The inverted Fisher hypothesis

Carmichael, J. and P.W. Stebbing, "Fisher's Paradox and the Theory of Interest", *American Economic Review*, 83 (Sept.1983), 619-630.

Darby, M.R., "The Financial and Tax Effects of Monetary Policy on Interest Rates", *Economic Inquiry*, 13 (June 1975), 266-76.

Darby, M.R., "Some Pleasant Monetarist Arithmetic", FRB of Minneapolis *Quarterly Review* (Spring 1984), 15-19.

Green, C.J. "The Determination of Interest Rates and Asset Prices: A Survey of Theory and Evidence," in Green and Llewellyn (1991), Vol. 1, Ch. 6, 324-78.

\*Handa, J. (2000), Ch. 20.

\*Lewis, M.K. and P.D. Mizen (2000), Ch. 5.

Mishkin, F.S. and S. G. Eakins (1998), Ch. 5.

Milbourne, R. "Money and Finance," in S. Grenville (ed.) *The Australian Macro-Economy in the 1980s*, R.B.A. 1990, 222-276.

Monnet, C. and W. E. Weber, "Money and Interest Rates," FRB of Minneapolis *Quarterly Review*, Fall 2001, 2 –13.

Mundell, R.A., "Inflation and Real Interest", *Journal of Political Economy*, 71 (June 1963), 280-83.

Patinkin, D., "Interest", *International Encyclopedia of the Social Sciences*, Vol. VII N.Y. Macmillan, 1968, 471-485.

## VIII. THE TERM STRUCTURE OF INTEREST RATES

The mathematics of bond prices  
The expectations theory  
The liquidity preference theory  
The market-segmentation theory  
Operation "Twist"  
Meiselman's error-learning model  
The term-premium hypothesis  
The preferred market habitat hypothesis  
Rational expectations and the term structure  
Australian studies

Alles, L. "The Australian Term Structure as a Predictor of Real Economic Activity," *The Australian Economic Review*, 4<sup>th</sup> Quarter 1995, 71-85.

Bolder, D. and D. Streliski, "Yield Curve Modelling at the Bank of Canada," Bank of Canada, *Technical Report* No. 84, Feb 1999.

\*Handa, J. (2000), ch. 21.

Ip, P.C. "The Yield Curve and Economic Activity," in D.T. Nguyen (ed.) *Queensland, Australia and the Asia-Pacific Economy*, Brisbane: Economic society of australia (Queensland), 1996.

\*Lewis, M.K. and P. D. Mizen (2000), Ch. 5.

Mishkin, F.S. and S. G. Eakins (1998), Ch. 6.

Lowe, P. "The Term Structure of Interest Rates, Real Activity and Inflation", RBA, RDP9204 (1992).

Malkiel, B.G. "Term Structure of Interest Rates", in *The New Palgrave*, 628-631.

Modigliani, F. and Sutch, R., "The Term Structure of Interest Rates: A Re-examination of the Evidence", *Journal of Money, Credit and Banking*, 1 (February 1969), 112-120.

Sargent, T.J., "Rational Expectations and the Term Structure of Interest Rates", *Journal of Money, Credit and Banking*, 5 (Feb.1973), 74-97.

Shiller, R.J. and J.H. McCulloch, "The Term Structure of Interest Rates," in Friedman and Hahn (1990).

Tease, W.J., "The Expectations Theory of the Term Structure of Interest Rates in Australia", *Economic Record*, 64 (June 1988), 120-127.

## IX. RICARDIAN EQUIVALENCE

Government budget constraint  
Ricardian Equivalence Theorem  
Liquidity constraints  
Critique

\*Barro, R.J. "Are Government Bonds Net Wealth?" *Journal of Political Economy*, 82 (Nov/Dec 1974), 1095-1117.

\*Barro, r.J. "The Ricardian Approach to Budget Deficits," *Journal of Economic Perspectives*, 3 (Spring 1989), 37-54.

Bernheim, B.D. "Ricardian Equivalence: An Evaluation of Theory and Evidence," *NBER Macroeconomic Annual*, 2, 1987, 263-304.

Bernheim, B.D. "A Neoclassical Perspective on Budget Deficits," *Journal of Economic Perspectives*, 3 (Spring 1989), 55-72.

Buchanan, J.M. "Barro on the Ricardian Equivalence Theorem." *Journal of Political Economy*, 84 (Apr 1976), 337-342.

Feldstein, M. "Government Deficits and Aggregate Demand," *Journal of Monetary Economics*, Feb 1982.

\*Handa, J. (2000), Chs. 13, 14, 22.

McCallum, B.T. "Are Bond-financed Deficits Inflationary? A Ricardian Analysis," *Journal of Political Economy*, 89 (Aug. 1984), 123-135.

O'Driscoll, G.P. "The Ricardian Nonequivalence Theorem," *Journal of Political Economy*, 85 (Feb 1977), 207-210.

Romer, D. *Advanced Macroeconomics*, N.Y.: McGraw Hill (1996), Ch. 2.

Scarth, W. M. (1996), Ch.7.

Tobin, J. *Asset Accumulation and Economic Activity*, Oxford: Basil Blackwell, 1980.

## X. CREDIT RATIONING

Definitions of credit rationing  
Adverse selection effects  
Adverse incentive effects  
Enforcement problems  
Collateral, loan size and non-price rationing  
Efficiency and welfare

\*Akerlof, G. "The Market for Lemons: Qualitative Uncertainty and the Market Mechanism," *Quarterly Journal of Economics*, 84 (1970), 488-500.

\*Baltensberger, E. "Credit Rationing: Issues and Question", *Journal of Money, Credit and Banking* 10 (May 1978), 170-183.

Blinder, A. and J. Stiglitz "Money, Credit Constraints, and Economic Activity," *American Economic Review*, 73 (May 1983), 297-302.

Blundell-Wignall, A. and M. Gizycki, "Credit Supply and Demand and the Australian Economy," Sydney: RBA, RDP 9208 (1992).

\*Handa, J. (2000), Ch. 2.

Hodgman, D. "Credit Risk and Credit Rationing," *Quarterly Journal of Economics*, 74 (May 1960), 258-278.

Jaffee, D. and F. Modigliani "A Theory and Test of Credit Rationing," *American Economic Review*, 59 (Dec 1969), 850-872.

Jaffee, D. and T. Russell, "Imperfect Information, Uncertainty, and Credit Rationing," *Quarterly Journal of Economics*, 90 (Nov 1976), 651- 666.

Jaffee, D. and J. Stiglitz, "Credit Rationing", in Friedman and Hahn (1990), 837-887.

\*Lewis, M.K. and P.D. Mizen (2000), Ch.14.

McCallum, J. "Credit Rationing and the Monetary Transmission Mechanism", *American Economic Review*, 81 (Sept 1991), 946-951.

Prescott, E.S. "A Primer on Moral-Hazard Models," FRB of Richmond *Economic Quarterly*, 85 (1) (Winter 1999), 47-77.

Stiglitz, J. and A. Weiss, "Credit Rationing in Markets with Imperfect Information", *American Economic Review*, 71 (June 1981), 393-410.

Stiglitz, J. and A. Weiss, "Incentive Effects of Termination: Applications to the Credit and Labor Markets", *American Economic Review*, 73 (Dec 1983), 912-927.

Stiglitz, J. and A. Weiss, "Credit Rationing: Reply," *American Economic Review*, 77 (Mar 1987), 228-231.

## **VI. ESSAY TOPICS AND REFERENCES**

Research strategy – some of the starter references are given below. You are expected to go beyond these and find more recent publications. An excellent source is recent issues of *Journal of Economic Literature*.

Essay writing technique – the essay should be properly structured. Presentation is important. The essay should contain a synopsis and be divided into sections with appropriate headings. It should start with an introduction and end with a conclusion. Footnotes or endnotes, where appropriate, should be added. References must be done consistently and listed alphabetically by author at the end of the essay.

The essay must be typed on one side of the paper and double spaced. You need to keep a spare copy of the essay just in case the one that you claim that you have submitted is misplaced. You should check with the lecturer after the due date to make sure that your essay has been received.

### **1. Dollarisation**

Some Latin American countries have abandoned their own national currencies and adopted the U.S. dollar as legal tender. Analyse the theoretical issues and policy implications of such a move. Is the role of money served better when a small country adopts the currency of a large country like the United States or the currency of a large currency bloc like the European Monetary Union (EMU)? Should Australia and New Zealand form a common currency area, adopt the U.S. dollar or the euro, or maintain the status quo?

#### **Starter References**

- Antinolfi, G. and T. Keister, "Dollarization as a Monetary Arrangement for Emerging Market Economies", *F. R. B. of St. Louis Review*, 83, 6 (November/December 2001), 29-39.
- Guidotti, P. and C. A. Rodriguez, "Dollarization in Latin America; Gresham's Law in Reverse," *IMF Staff Papers*, 39 (Sept 1992), 518-44.
- Ishiyama, Y. "The Theory of Optimum Currency Areas: A Survey," *IMF Staff Papers*, XXII, 2 (July 1975), 344-83.
- Mundell, R. "A Theory of Optimum Currency Areas", *American Economic Review*, 51 (September 1961), 657-65.

## 2. Currency Substitution

Analyse the impact on the demand for money when currency substitution (CS) is practised. Is there any empirical evidence in support of CS? Australians have been able to hold foreign currency accounts after the financial system was deregulated in the 1980s. Is CS a problem for the Reserve Bank of Australia, the Reserve Bank of New Zealand and the Bank of England, when they conduct their monetary policy?

### Starter references

Giovannini, A. and B. Turtelboom, "Currency Substitution", in F. van der Ploeg (ed.), *The Handbook of International Macroeconomics*, Oxford: Blackwell, 1994, 390-436.

McDinnon, R.I. "Currency Substitution and Instability in the World Dollar Standard," *American Economic Review*, 72 (June 1982), 320-33.

Rodriguez, C. A. "Money and Credit Under Currency Substitution," *IMF Staff Papers*, 40 (June 1993), 414-426.

Further references may be found by looking up recent issues of *Journal of Economic Literature* and by conducting a catalogue search using Macquarie University Library website.

**Macquarie University**

**School of Economic and Financial Studies**

UNIT: ECON 842 Principles of Monetary Economics

ASSIGNMENT: Essay

DUE DATE : Tuesday 14 October 2003

LENGTH: 3,000 - 3,500 words

CONTRIBUTION TO FINAL  
ASSESSMENT: 30%

INSTRUCTION: Submit to ERIC

STUDENT NAME: \_\_\_\_\_  
(Surname) (Other Names)

STUDENT NUMBER:

ESSAY TOPIC NUMBER:

TITLE OF ESSAY:

ESSAY GRADE:

MARKER'S COMMENTS:



## **DEFINITION OF PLAGIARISM**

Plagiarism involves using the work of another person and presenting it as one's own. Any of the following acts constitutes plagiarism unless the source of each quotation or piece of borrowed material is clearly acknowledged:

- (a) copying out part(s) of any document of audio-visual material (including computer-based material);
- (b) using or extracting another person's concepts, experimental results, or conclusions;
- (c) summarising another person's work;
- (d) in an assignment where there was collaborative preparatory work, submitting substantially the same final version of any material as another student.

Encouraging or assisting another person to commit plagiarism is a form of improper collusion and may attract the same penalties.

### **STATEMENT TO BE SIGNED BY STUDENT:**

1. I have read the definition of plagiarism that appears above.
2. In my essay I have carefully acknowledged the source of any material which is not my own work.
3. I am aware that the penalties for plagiarism can be very severe.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Student Number: \_\_\_\_\_

**THIS PAGE MUST BE COMPLETED AND ATTACHED TO THE ESSAY**