Money & Banking

Course Description in Brief: This course is designed to help us understand and explore the complex web of interdependent institutions and markets that underlies the financial transactions in which we engage every day.

Prerequisites: This course requires ECON 204 and 206 and an interest in the material.

Course Format: We will meet three times a week. The course will consist mainly of lecture, with frequent pauses for questions and discussion. You are always welcome to ask clarifying questions or bring up for discussion current events as they pertain to the subject at hand. If your question is causing the class to stray too far from the assigned material or is not of general interest, I reserve the right to finish the discussion in my office. I also ask that you be courteous in your conduct and follow some general behavioral guidelines. If you absolutely must arrive late or leave early, please sit near the door and try to keep class disturbance to a minimum. If you sleep, I reserve the right not to awaken you. At all times, I reserve the right to ask you to leave, should I deem your behavior inappropriate. Even though I fully understand the need for today’s student to multi-task, I do not allow students to use laptop computers during class (unless there are special needs, such as a disability, that need to be accommodated) or to use cell phones during class (or exams).

FRIDAY, SEPTEMBER 23rd 2011
CLASS MOVES TO SAGE 3235 FOR THAT DAY ONLY

Readings: Readings for this course will arise mainly from the required textbook by Frederic S. Mishkin, which has been condensed into the PEASON CUTOM BUSINESS ROUSOURCES text by Pearson Learning Solutions and available in the book store. It is taken from The Economics of Money, Banking, and Financial Markets, 9th edition, ISBN 10 – 0-321-60771-6, Addison Wesley (we will not be using myeconlab, so feel free to buy a used copy of the text and determine the reading by chapter). You should feel completely free to purchase this text on-line. Occasionally, readings from outside sources (other than the text) may be distributed in class or in electronic format on D2L.
Additionally, there are free online appendices for the text available at [www.pearsonhighered.com/mishkin](http://www.pearsonhighered.com/mishkin) in the student resource area that will be referenced from time to time which can be accessed even if you bought a used text other than the customized readings book (if you have adobe and flash, you can go directly to the content: [http://wps.aw.com/aw_mishkin_econmbfm_9/117/30117/7710171.cw/index.html](http://wps.aw.com/aw_mishkin_econmbfm_9/117/30117/7710171.cw/index.html)).

**Requirements:** Your course grade will be based on two midterm examinations and a comprehensive final exam, made up of both multiple choice and essay/graphical/numeric problems, as well as a few, infrequent homework assignments. Further, you will receive 10 points (total) for the completion of the pre- and post-tests for this course (your grade on the pre-test quiz is *not* based on your raw score, but merely on completion). These tests are found in the quiz section of D2L and are only available for the first two weeks of the semester and the last two weeks of the semester. You should be aware that the final exam will cover all the course material, including the new material since the previous midterm and will be weighted slightly heavier on that new material than on the previously tested material.

**Point Distribution:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterms</td>
<td>100</td>
</tr>
<tr>
<td>Homework</td>
<td>15</td>
</tr>
<tr>
<td>Pre- and Post- Tests</td>
<td>10</td>
</tr>
<tr>
<td>Final</td>
<td>100</td>
</tr>
</tbody>
</table>

**Grading Scale:**

A = 93% +
A- = 90% - 92.9%
B+ = 87%-89.9%
B = 83% - 86.9%
B- = 80% - 82.9%
C+ = 77% - 79.9%
C = 72% - 76.9%
C- = 67% - 71.9%
D+ = 65% - 66.9%
D = 63% - 64.9%
D- = 60% - 62.9%
F < 60%

* Note that the grades are curved in the end so that I reserve the right to make grading easier (NOT more difficult) than the above scale suggests.
Reading List (CUSTOM TEXT)

Money, Things Like Money, and the Financial System
Text Ch. 1-3

Interest Rates and Financial Markets
Text Ch. 4-7

Central Banking and the Conduct of Monetary Policy
Text Ch. 8-9

Monetary Theory
Text Ch. 10-11, 14

International Financial Systems – Money Makes the World Go Around
Text Ch. 12-13

******************************************************************************Final December 16, 2011******************************************************************************

Reading List

IF YOU USE THE Mishkin Text, 9th Edition RATHER THAN THE CUSTOM TEXT

Money, Things Like Money, and the Financial System
Text Ch. 1-3, 7

Interest Rates and Financial Markets
Text Ch. 4-6 [including web appendix to chapter 5]

Central Banking and the Conduct of Monetary Policy
Text Ch. 13-16 [including web appendix 1 and 3 to chapter 14]

Monetary Theory [including web appendix to chapter 21, 22]
Text Ch. 19-22

International Financial Systems – Money Makes the World Go Around
Text Ch. 17-18