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).

Readings: Readings for this course will arise mainly from the required textbook by Dean Croushore M&B², 2011, paperback, from South-Western (Cengage) publishing. ISBN-13: 978-1-111-09060-6 or ISBN-10: 1-111-98960-5. Make sure you get the correct edition (2011). This text can be found in the bookstore here on campus or online (currently, as of the writing of this syllabus, half.com lists this text for $40.69, to buy or $26.05 to rent for 125 days, amazon.com lists it for $56.41 new and $42.99 used).

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.
Point Distribution:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterms</td>
<td>100</td>
<td>(each, Oct. 16 and Nov. 25)</td>
</tr>
<tr>
<td>Homework</td>
<td>15</td>
<td>(each)</td>
</tr>
<tr>
<td>Pre- and Post-Tests</td>
<td>10</td>
<td>(total, for completion on pre-test, based on results for post)</td>
</tr>
<tr>
<td>Final</td>
<td>100</td>
<td>(Dec. 13)</td>
</tr>
</tbody>
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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 so that I reserve the right to make grading easier (NOT more difficult) than the above scale suggests.

Reading List

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

Interest Rates and Financial Markets
Text Ch. 4-6

Central Banking and the Conduct of Monetary Policy
Text Ch. 15-18
Fed Policy May 28, 2013 (D2L)

Monetary Theory
Text Ch. 10-12

International Financial Systems – Money Makes the World Go Around
Text Ch. 14 (plus in class material)

***********************Final December 13, 2013***********************