

# **Money and Banking Syllabus**

**ECO 3223, Summer 2019, June 24 - July 26**

## **Course & Faculty Information**

**Lecturer:** TBA

**E-mail:** TBA

**Time:** Monday through Friday (1.8 contact hours each day)

**Contact hour:** 45 hours

**Credit:** 3

**Office hours:** By Appointment

## **Course Description**

This course covers monetary policy, banking and bank regulation, and the functioning of financial markets and institutions. We examine the interconnections between these elements in an open world economy where goods and capital move freely across borders. Major attention will be given to banking and financial crises, their origins and resolution, looking both at the US and other countries. We look at financial structure, financial development and financial crises, with special emphasis on the recent subprime crisis. In addition, we will cover the economics of bank management, along with the effects of the behavior of individual financial institutions on the financial system as a whole and on the economy as a whole.

The course will also cover the theory and practice of monetary policy using the Federal Reserve Bank of the US as our main example. We will cover issues of central bank independence, goals of monetary policy, control of the money supply and tools used by central banks, and issues of tactics and strategy. Consideration will also be given to monetary policy in conditions of deep recession and deflation, quantitative easing and unconventional monetary policy instruments in the most recent crisis. Discussion of money demand and the transmission mechanism is also presented while looking at debates on these crucial issues for central banks.

## **Textbook Information**

*The Economics of Money, Banking and Financial Markets*, Frederic Mishkin, Addison Wesley Publishing, 11th Edition (2015).

## **Course Materials:**

- Financial Calculator (Please refer to the “calculators” section below)

- Internet access (use of laptop computers/ electronic devices are **not** permitted during class)
- Notebook and pencil (exams must be completed in pencil)

## Grading Policy

Your grade will be based on quizzes, exams, and attendance.

Quizzes:	Four quizzes	30%
Exams:	Two exams	60%
Attendance:	0.5% per day attended	10%
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TOTAL		100%

### *Quizzes:*

For this five-week course, there will be four Quizzes.

The schedule of the quizzes is as follows:

Quiz#1: Friday, June 29

Quiz#2: Thursday July 4

Quiz#3: Friday July 13

Quiz#4: Friday July 20

Note that the lowest quiz grade will be dropped at the end of the session. Therefore, if you miss a quiz, your average class grade will not be affected.

**Quizzes are worth 30% of your class grade.**

### *Exams:*

There will be two exams in this course. The schedule of the two exams is as follows:

Exam #1: Friday, July 6

Exam #2 (comprehensive): Wednesday, July 25

**Each Exam is worth 30% of your class grade for a total of 60%.**

### *Calculators:*

I will use Texas Instruments BA II Plus as my financial calculator and will be teaching with that. You are welcome to use any financial calculator for the class you would like. However, please note that it is your responsibility to learn how to use that calculator if it is different than the one I use. Also, you are NOT allowed to use any graphics calculators, phones, or calculators with advanced memory for the exams or the quizzes. My advice would be to get a finance calculator

which you will use in this class as well as finance classes in the future.

### ***Attendance:***

Students are awarded **0.5% for each day attended** up to a **maximum of 10% of your class grade**. Attendance also includes the class participation which consists of students' participation to the discussion of the in-class assignments and/or the take home assignments. Attendance scores are not awarded on Exam days. Moreover, there is no lecture on Fridays. However, study session to review for the quizzes and exams is scheduled on Fridays. Attending the study session on Fridays will earn 5 bonus points per session to students and will count as extra credit toward the scores of the two exams (i.e. Exam#1 & Exam#2).

### **Grading Scale:**

- A = 90-100%
- B = 80-89%
- C = 70-79%
- D = 60-69%
- F = Below 60%

### **Course Outline:**

Please note that this outline is meant to give an overview of the major concepts of this course. Changes may occur in this calendar as needed to aid in the student's development.

#### WEEK ONE

- Introduction
  - Why Study Money, Banking, and Financial Markets? (CH 1) 1/2
- Why Study Money, Banking, and Financial Markets? (CH 1) 2/2
- An Overview of the Financial System (CH 2) 1/2
- An Overview of the Financial System (CH 2) 2/2
- Quiz#1

#### WEEK TWO

- Understanding Interest Rates (CH 4) 1/2
- Understanding Interest Rates (CH 4) 2/2
- The Behavior of Interest Rates (CH 5)
- Quiz#2
- The Risk and Structure of Interest Rates (CH 6)
- Exam#1

### WEEK THREE

- The Stock Market (CH 7) 1/2
- The Stock Market (CH 7) 2/2
- Economic Analysis of Financial Structure (CH 8) 1/2
- Economic Analysis of Financial Structure (CH 8) 2/2
- Quiz#3

### WEEK FOUR:

- Tools of Monetary Policy (CH 15) 1/2
- Tools of Monetary Policy (CH 15) 2/2
- The Foreign Exchange Market (CH 17) 1/2
- The Foreign Exchange Market (CH 17) 2/2
- Quiz#4

### WEEK FIVE:

- The International Financial System (CH 18) 1/2
- The International Financial System (CH 18) 2/2
- Exam#2 (Comprehensive)

## **Academic Integrity**

As members of the Seminole State College of Florida community, students are expected to be honest in all of their academic coursework and activities.

Academic dishonesty, such as cheating of any kind on examinations, course assignments or projects, plagiarism, misrepresentation and the unauthorized possession of examinations or other course-related materials, is prohibited.

Plagiarism is unacceptable to the college community. Academic work that is submitted by students is assumed to be the result of their own thought, research or self-expression. When students borrow ideas, wording or organization from another source, they are expected to acknowledge that fact in an appropriate manner. Plagiarism is the deliberate use and appropriation of another's work without identifying the source and trying to pass-off such work as the student's own. Any student who fails to give full credit for ideas or materials taken from another has plagiarized.

Students who share their work for the purpose of cheating on class assignments or tests are subject to the same penalties as the student who commits the act of cheating.

When cheating or plagiarism has occurred, instructors may take academic action that ranges from denial of credit for the assignment or a grade of "F" on a specific assignment, examination or

project, to the assignment of a grade of "F" for the course. Students may also be subject to further sanctions imposed by the judicial officer, such as disciplinary probation, suspension or dismissal from the College.