

Econ 330 – Money and Banking

Fall 2010 Syllabus

Instructor: Steven W. Rick

Office Hours: Tuesday and Thursday, 11:00-11:45 am, and by appointment.

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Prerequisites: Economics 101 & 102, or 111 or consent of instructor.

Text:

Frederic S. Mishkin. The Economics of Money, Banking, and Financial Markets. Ninth Edition, 2009. Pearson Addison Wesley

Course Description:

This course addresses five areas of importance.

Financial Markets – Interest rates, stock markets, efficient market hypothesis

Financial Institutions – Bank management, structure, competition, regulation

Central Banking and the Conduct of Monetary Policy – Federal Reserve, money supply process, monetary policy tools

International Finance and Monetary Policy – Foreign exchange market, international financial system

Monetary Theory – Demand for money, ISLM model, aggregate demand and supply, transmission mechanisms of monetary policy, inflation, and rational expectations.

Discussion Sections:

Every student should register for and attend the weekly discussion sections.

Homework:

The course homeworks can be found at www.myeconlab.com

Course ID number: XL0H-61OM-901Y-1QW2

Grading:

Grading will be based on homework performance (10%), two midterm exams (25% each), and a final exam (40%). In a situation where a student's grade is borderline, the grade will be determined by participation in class and discussion section.

Following is a schedule of readings and exams for the course.

DATE	CHAPTER	TOPIC
Sept. 2	1	Introduction
Sept. 7	2	Overview of the Financial System
Sept. 9	3	What is Money?
Sept. 14	4	Understanding Interest Rates
Sept. 16	4	Understanding Interest Rates
Sept. 21	5	The Behavior of Interest Rates
Sept. 23	6	The Risk and Term Structure of Interest Rates
Sept. 28	6	The Risk and Term Structure of Interest Rates
Sept. 30	7	Stock Market, Rational Expectations, EMH
Oct. 5		FIRST EXAM
Oct. 7	9	Financial Meltdown and the Subprime Crisis
Oct. 12	10	Management of Financial Institutions
Oct. 14	10	Management of Financial Institutions
Oct. 19	10	Management of Financial Institutions
Oct. 21	13	Central Banks / Federal Reserve System
Oct. 26	14	Money Supply Process
Oct. 28	14	Money Supply Process
Nov. 2	15	Tools of Monetary Policy
Nov. 4	16	Conduct of Monetary Policy
Nov. 9		SECOND EXAM
Nov. 11	17	The Foreign Exchange Market
Nov. 16	17	The Foreign Exchange Market
Nov. 18	20	ISLM Model
Nov. 23	20	ISLM Model
Nov. 30	21	Monetary and Fiscal Policy / ISLM Model
Dec. 2	21	Monetary and Fiscal Policy / ISLM Model
Dec. 7	22	Aggregate Demand and Supply Analysis
Dec. 9	23	Transmission Mechanisms of Monetary Policy
Dec. 14	24	Money and Inflation
Dec. 18		FINAL EXAM (12:25 pm)