

**Gustavus Adolphus College**  
**Department of Economics & Management**  
**Fall 2015**

**E/M 271: Money and Banking**

**Syllabus**

Instructor – Rita Ray  
Office – BH 165  
Phone – (507) 933-6273  
E-mail – rray@gustavus.edu

Office Hours – M, T, W, F – 11:30 a.m. – 12:30 p.m.  
Classroom – BH 115  
Class Time – M, W – 2:30 p.m. to 4:20 p.m.

Course Description – E/M 271 is an intermediate level course focused on money market, banking industry and financial market. Topics include money market, monetary policy, nature and role of central bank, banking industry, inflation, interest rate, foreign exchange market, aggregate demand and supply, IS-LM model, financial market, theories on financial market, financial structure, financial crisis, financial regulation and international financial system.

Learning Objective - Demonstrate the knowledge of money market, monetary policy, banking system, foreign exchange market, and connection between real and monetary variables. Exhibit expertise on monetary policy and banking system of a specific country. I evaluate the student learning outcomes by exams, class discussion and class presentation.

Text – **The Economics of Money, Banking, and Financial Markets, 11/E**, Frederic S. Mishkin, ISBN-13: 9780134047348, Pearson.

Important Website: <http://www.census.gov/>  
<http://www.bls.gov/>  
<http://www.bea.gov/>  
<http://www.worldbank.org/>  
<http://research.stlouisfed.org/publications/net/>  
<http://www.nytimes.com/>  
<http://online.wsj.com/>

**Course Outline:**

- 1. Why Study Money, Banking, and Financial Markets? (Chapter 1)***
- 2. What Is Money?(Chapter 3)***
- 3. Understanding Interest Rates (Chapter 4)***
- 4. Financial Crises (Chapter 9)***

- 5. Banking and the Management of Financial Institutions (Chapter 10)*
- 6. Economic Analysis of Financial Regulation (Chapter 11)*
- 7. Banking Industry: Structure and Competition (Chapter 12)*
- 8. Central Banks and the Federal Reserve System (Chapter 13)*
- 9. The Money Supply Process (Chapter 14)*
- 10. Tools of Monetary Policy (Chapter 15)*
- 11. The Conduct of Monetary Policy: Strategy and Tactics (Chapter 16)*
- 12. The Foreign Exchange Market (Chapter 17)*
- 13. The International Financial System (Chapter 18)*
- 14. Quantity Theory, Inflation and the Demand for Money (Chapter 19)*
- 15. The IS Curve (Chapter 20)*
- 16. The Monetary Policy and Aggregate Demand Curves (Chapter 21)*
- 17. Aggregate Demand and Supply Analysis (Chapter 22)*
- 18. Monetary Policy Theory (Chapter 23)*
- 19. The Role of Expectations in Monetary Policy (Chapter 24)*
- 20. Transmission Mechanisms of Monetary Policy (Chapter 25)*

**Exams and Grading Policies:**

All students will be evaluated based on the following criteria:

- 1. Two Midterm Exam (Each carries 20% of total grade - total carries 40% of total grade)**

**First Midterm – 5<sup>th</sup> October, 2015.**

**Second Midterm – 9<sup>th</sup> November, 2015.**

- 2. Class Presentation (carries 20% of total grade)**

[This is a two-hour class and it is divided into two sections. The first hour consists of lectures and discussions and the second hour consists of group presentations. In the first day of the class, the students decide their own group (usually 2 – 3 students in each group) and stay in their own group in the rest of the semester. They also choose a specific country and work on that country for the whole semester. For example, group A is presenting on the topic of 2008 financial crisis and its

effect on China (chosen country). Student will collect data, read research papers to explain the effect of financial crisis on various economic variables in China.]

**3. Final Exam – 17<sup>th</sup> December, 2015 from 3:30 p.m. to 5:30 p.m. in BH 115<sup>1</sup> (carries 40% of total grade)**

**4. Make up Exam – 15<sup>th</sup> December, 2015 from 1:30 p.m. to 2:20 p.m.**

- If you miss one midterm exam, the make up exam will be used to replace your missing midterm score.
- There will be absolutely no changes to exam dates.

Letter Grade	Raw score required
A	93 & above
A-	90-92.9
B+	87-89.9
B	83-86.9
B-	80-82.9
C+	77-79.9
C	73-76.9
C-	70-72.9
D	60s
F	Below 60s

**Note:**

1. If you miss some class try to get the class notes from your fellow classmates. You should come and meet me at my office hours if you have any difficulties with understanding any concepts.
2. Students need to use Microsoft Office (Excel, Power Point, Word) for assignments and class presentations. If any student has any difficulty with Microsoft Office he/she **must discuss** it with the instructor in advance.
3. Please turn off your cellphone during class. Laptop can be for academic purpose only (taking notes, class presentation).

**Honor Code**

As a Gustavus student you are required to sign the following statement:

*“As a community of scholars, the faculty and students of Gustavus Adolphus College have formulated an academic honesty policy and honor code system, which is printed in the Academic Bulletin and in the Gustavus Guide. As a student at Gustavus Adolphus College I agree to uphold the honor code. This means that I will abide by the academic honesty policy, and abide by decisions of the joint student/faculty Honor Board.”*

**Disability Services**

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<sup>1</sup> Based on preliminary Final Exam schedule.

*“Disability Services at Gustavus Adolphus College is dedicated to providing equal access to the college’s curriculum, programs, services, and facilities. We partner with students to empower ongoing development, teach strategies for academic success, educate the campus community about disability as diversity, and encourage a welcoming climate.” Kelly Hanson (khanso10@gustavus.edu or 507-933-6207) can provide you further information.”*