

**COLORADO STATE UNIVERSITY
DEPARTMENT OF ECONOMICS**

**EC 315.02: ECONOMICS OF MONEY AND BANKING
spring 2009**

Instructor: Anne Grace Gongwe

Office: Clark C wing # 309B

Meeting time: 11-11.50 MWF

Venue: 109 Pathology

Office Hours: 12-12.50pm: **Monday, Wed, Friday**, or by appointment. If you can not make it during office hours, you can ask to see me at any other time as long as it fit both of our schedules.

Office Phone: 491-7236

Email: Anne.Gongwe@Colostate.edu

Communication with me: Email is the best way to communicate with me.

Class Website: [Http://www.RamCT.colostate.edu](http://www.RamCT.colostate.edu)

Required Text: Frederic S. Mishkin; **The Economics of Money, Banking and Financial Markets, 7th edition.**

Text website: <http://www.myeconlab.com/mishkin>

Course Description: A presentation of how financial markets (such as those for bonds, stock and foreign exchange) and the financial institutions (banks, insurance companies and other institutions) work by exploring the role of money in the economy.

By the end of the course, the student should be able to think critically and independently about such controversial issues as inflation, the causes of the Great Depression, monetary policy, banking deregulation, the S&L crisis and international exchange rates.

GRADING SYSTEM

- **Tests:** Two midterm exams and a final will be given. The exam will consist primarily of multiple choice (60%) and two or more essay questions (40%). The questions will be drawn from lectures, textbook and any other assigned materials.
- **Quizzes:** Pop quizzes will be given at random any day in class.
- **Homework exercises** will be posted on the course website in order to help you to understand the course materials and prepare yourself for exams. **Late home works will not be accepted, no exceptions!**

GRADE POINTS

2 midterms	40%
Final Exam	30%
Quizzes	10%
<u>homeworks</u>	<u>20%</u>
TOTAL	100%

The final letter course grade will be based on the following scale:

98% and above	A+
90-97.9%	A
88-89.9%	B+
80-87.9%	B
78-79.9%	C+
70-77.9%	C
68-69.9%	D+
60-97.9%	D
Below 60%	F

Depending on the overall class performance, the above ranges may be altered towards the student's advantage. **There will be no make up exams.** If you must unexpectedly miss an exam, you must present a written evidence of a medical or family emergency. If you miss one of the exams without a proper documentation, your grade will be simply computed using other exams you have taken.

Attendance policy: Attendance is important but not mandatory. If a student has any form of disability that affects his/her class participation, this student should let me know as soon as possible.

Academic Dishonesty: Academic dishonesty will not be tolerated in this class; any instances will be referred to the university's established procedure for such cases.

Disclaimer: This course outline is tentative, if there are any changes to the syllabus, there will be announced in class and RamCt as soon as possible. Please make a habit to visit your course website on daily basis for new announcements.

TENTATIVE COURSE SCHEDULE:

<u>Date</u>	<u>Topic</u>	<u>Reading assignments</u>
PART 1: INTRODUCTION		
01/21-01/26	Why study Money, Banking and Financial Markets? Overview of the Financial System	Ch.1 Ch.2
PART 11: FINANCIAL MARKETS		
01/28-02/13	A. What is Money? B. Understanding Interest Rates C. The Behavior of interest Rates D. The Risk and Term Structure of interest rate	Ch.3 Ch.4 Ch.5 Ch.6
02/20	First Mid Term Exam	
PART 111:		
02/16-03/13	A. The stock market B. An Economic Analysis of Financial structure C. Banking and Mngt of Banking Institutions D. Financial Crisis	Ch.7 Ch.8 Ch.9
03/14-03/20	Spring Break	
PART IV: CENTRAL BANKING AND THE CONDUCT OF MONETARY POLICY		
03/23-04/10	A. Structure of CB and the Federal Reserve System B. Multiple deposit creation and Money Supply C. Tools and goals of Monetary policy	Ch 12 Ch.13 C15,16
04/17	Second Midterm	
PART V: MONETARY THEORY AND INTERNATIONAL FINANCE		
04/13-05/08	A. Aggregate demand and Supply Analysis B. Money and Inflation C. The Foreign Exchange Market D. The International Financial System	Ch.22 Ch.24 Ch.17 Ch.18
12 May	Final Exam 7am-9am (Tuesday)	