

MONEY AND BANKING ONLINE

SPRING 2014



COURSE: ECON 0300 / FINC 0320
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COURSE DESCRIPTION:

We are going to analyze money, the banking system, financial markets, and economic activity. The course presents the nature of money and the role of commercial banking in an historical context, as well as inflation, budget deficits, the yield curve, the stock market, the gold standard, balance of payments, exchange rates, portfolio theory, and the role of the Federal Reserve System in the U.S. economy. Prerequisite: ECON 101.

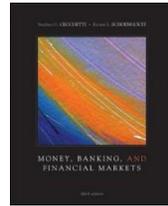
REQUIRED MATERIAL:



1) Textbook:

"Money, Banking, and Financial Markets" by Stephen C. Cecchetti and Kermit L. Schoenholtz, 3rd ed. McGrawHill:

www.mhhe.com/cecchetti3e



2) Access to McGrawHill Connect website.



There are two closed-books exams, one midterm and one final exam. These **exams must be taken in a monitored environment on the day they are assigned.**

It is recommended that students come to campus to take the exams. However, if this is not possible due to distance constraints, students must make alternative arrangements. These alternatives include proctoring by base personnel for students serving in the military, by an approved public library, by a college or university testing center, or by a certified testing center (<http://www.ncta-testing.org/cctc/find.php>). Testing centers may charge a fee for their services, or have restricted hours of operation. These are the only testing options available, and **only students able to use one of these options should enroll.** No exams, except as listed above, will be given outside the United States.



If you are not able to make these arrangements, you should not enroll in this course online but rather take it in person.

Course Outline

The following items are covered in this course. I strongly recommend to read each chapter *more than once*. There are many technical terms used in the study of econometrics that you must familiarize yourself with in order to be successful in this class.



| Topic | Title |
|-------|--|
| 1 | An Introduction to Money and the Financial System |
| 2 | Money and the Payments System |
| 3 | Financial Instruments, Financial Markets, and Financial Institutions |
| 4 | Future Value, Present Value, and Interest Rates |
| 5 | Understanding Risk |
| 6 | Bonds, Bond Prices, and the Determination of Interest Rates |
| 7 | The Risk and Term Structure of Interest Rates |
| 8 | Stocks, Stock Markets, and Market Efficiency |
| 9 | The Economics of Financial Intermediation |
| 10 | Central banks in the World Today |
| 11 | The Structure of Central Banks |
| 12 | The Central Bank Balance Sheet and the Money Supply Process |
| 13 | Money Growth, Money demand, and Modern Monetary Policy |
| 14 | Output, Inflation, and Monetary Policy |