Economics 303: Money & Banking – Section 02

Prerequisites: EC 221 and EC 222. This class meets Tuesdays and Thursdays from 9:15 to 10:45 PM in Merrill 101.

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Required text:

Overview:
This course provides a critical understanding of the theory, history, and policy of monetary and banking institutions. We will be covering a lot of ground. Lectures will be coordinated with chapters of the required text (as indicated below), but will also amplify, modify, and supplement what is found there. Understanding the text is crucial, but is not enough: equally important for mastering the course material is taking good lecture notes and studying them.

Requirements:
* one midterm exam worth 100 points each on March 3
* 10 quizzes worth 10 points each on Thursday nights (dates below)
* one cumulative final exam worth 150 points on April 28
  (If you cannot make this date, drop the course now.)

Fine Print:
(1) The midterm exam will each be given only on the date scheduled. Make-up exams will be given for students who miss a test due to (i) university-approved functions, (ii) death in the immediate family, and (iii) provable sickness requiring a doctor visit. If you miss or plan on missing an exam, you must contact the professor within three days before or after the exam date. Failure to do this will result in an exam score of zero. (2) Failure to take the final exam at the scheduled time will result in an exam score of zero (absent a valid medical excuse or certified exam conflict). (3) Exams will start at the beginning of class time. If you arrive late, especially after the first student finishes the exam, you will not be allowed to take the exam (and will be awarded a zero exam score). (4) Performance on these exams and extra credits will be the only basis for grading (no additional projects will be offered or accepted). Grades are not negotiable.

Grade Appeals:
I handle grade appeals in only one fashion. Should you be dissatisfied with your grade on any work, do the following: (1) Write a short description of why you believe you should have received a higher grade. Simply asking for more points (e.g., “I need a C so my GPA doesn’t drop”) is insufficient. If your statement concerns the fairness of the grade, then you must convince me that you were treated unfairly. (2) Hand in the test or assignment in question along with your written statement no later than the next class period after it was returned to you.

You should not infer that following this process will guarantee a higher grade.
Attendance:
Attendance strongly encouraged, as the material is cumulative in nature. Missing a class is especially harmful to your grade. Other required readings will be posted to the web site and will be announced in class. Test questions will be drawn from class notes and readings, so no one should rely entirely upon a single source. If you miss class, it is your responsibility to get the notes from another student; I do not give out my notes.

Other:
Any student who receives failing grades during this course is urged to discuss this with the professor. I will be posting individual averages to BlackBoard periodically during the semester.

Tests and calculators: Sharing calculators is strictly forbidden during tests because answers can be passed too easily.

Due to the size and length of the class, all tests and quizzes will be given through BlackBoard. The mid-term and final exam will be only given in a computer lab reserved in Merrill. (The actual room will be announced in class.) The quizzes will be as scheduled below and can be taken anytime between 8 and 11 pm on Thursday nights. You will have 10 minutes to take these quizzes, and a penalty will be assigned for going over the time limit. A total of 12 quizzes will be offered, and the lowest two scores will be dropped.

Note well: Under no circumstances will students be allowed to re-take a quiz. Students are expected to adjust their schedules to accommodate taking quizzes. Having a computer “freeze up” (or any other technical issue) while taking a quiz is not an acceptable excuse. If this happens, the quiz will be assigned a 0 score out of 10 and will count as one of the 12 quizzes taken during the term. If you cannot free up your schedule to take the quizzes, or if you do not think you can access a computer that will not have technical problems (in a lab, library, or at home), then you are strongly urged not to enroll in this course.

Note also: Once a quiz is begun in BlackBoard, it must be finished. Questions will be multiple choice and short answer; they will show up once at a time. Hitting the back button on your browser will drop you from completing the quiz, and you will not be given credit for it.

All students must complete the practice quiz anytime from Thursday, January 1 to Monday, January 12. The purpose of this quiz (not one of the required 12) is to help you identify and address possible technical issues that might arise.

Academic Honesty:
Academic dishonesty in all forms will be dealt with swiftly and severely. That includes all forms of cheating, plagiarism, and collaboration. If I believe an exam or test has been compromised, I reserve the right to retest the whole class or any
individual in the class. (See the JSU Academic Honor Policy online at http://www.jsu.edu/depart/handbook/page17.html#honesty). Violations of the University’s academic code include, but are not limited to: possession of, or use of, unauthorized materials during exams; providing information to another student. Violation of this Code may result in academic penalties, including receiving an “F” in this course. Assignments, projects, or any other work to be completed outside of class are to be done only by the individual student and not on a group or shared basis.

Each student agrees to the following statements of student behavior:
1. I agree that I, and only I, will be the one completing and submitting class materials (homework, exercises, exams, written projects, etc.) in my name.
2. I agree that I will not directly copy or plagiarize material from articles, books, publications, the Internet, other students’ work, or any other source. I am familiar with, and I agree not to violate, copyright laws. If small amounts of material from other sources are used as part of any class assignment, I agree to clearly indicate such and properly cite the source.
3. I agree that I will not share answers to homework assignments, quizzes, exams, or any other course material with fellow classmates.
4. I acknowledge that failure to comply with any of the above statements may result in failure of an assignment, removal from the course, failure in the course, and discipline action deemed appropriate by the instructor in his sole discretion and/or policies and procedures set forth by the JSU’s Academic Honor Policy found in the Student Handbook under the University Policies link: http://www.jsu.edu/depart/handbook/page17.html#honesty.

The academic misconduct policy of the university will be followed in this course.

Disability Accommodations Statement: Any individual who qualifies for reasonable accommodations under the Americans with Disabilities Act or Section 504 of the Rehabilitation Act of 1973 should contact the instructor immediately.
Schedule of Lectures, Exams, and Readings

Note: Numbers below correspond to the 27 class meetings, but the schedule is highly tentative. We may at times be ahead; at other times behind. Also, at least one guest speaker is tentatively scheduled (to be announced). This will require some material to be dropped. This material will be announced in class.

**A. Fundamentals of Money and Financial Markets**

1-2. The nature and evolution of money (read: Hubbard ch. 1,2)

3. Overview of the financial system (read: Hubbard ch. 3)

4-5. Interest rates and rates of return (read: Hubbard ch. 4)

6. Determining interest rates (read: Hubbard, ch. 6)

7. Risk and term structure of interest rates (read: Hubbard, ch. 7)

8. Credit and debit card primer

**B. Commercial Banking, Regulation, and Inflation**

9-10. Information and Market Efficiency (read: Hubbard, ch. 10)

11. Reducing transaction and information costs (read: Hubbard, ch. 11)

12. What financial institutions do (read: Hubbard, ch. 12)

**Midterm Exam on March 3 during class time**

13-14. How inflation happens

15. Inflation with 100 percent reserve banking

16-17. The business of banking (read: Hubbard, ch. 13)

**C. Central Banking, Monetary Policy, and the Economy**


22. Capture theory and banking

23. The money supply process (read: Hubbard, ch. 17)
24. Organization of central banks (read: Hubbard, ch. 19, 20)

25-26. The conduct of monetary policy (read: Hubbard, ch. 21)

27. The demand for money (read: Hubbard, ch. 23)

Final exam: April 28 at 8:00 AM to 10 AM

Quizzes: Thursdays from 8:00 to 11:00 PM. Dates: January 12 (non-graded but required), January 15, 22, 29; February 5, 12, 19, 26; March 5, 12, 26; April 2, 9

OTHER IMPORTANT DATES
Jan 8 Classes Commence
Jan 15 Last day to register or add classes to schedule
Jan 15 Last day to withdraw from all classes or drop a class and receive 100% tuition refund
Jan 15 Applications for degree due to certification adviser
Jan 22 Last day to withdraw from all classes and receive 80% tuition refund
Feb 5 Last day to withdraw from all classes and receive 50% tuition refund
Mar 4 Mid-term grades due
Mar 11 Last day to drop courses or withdraw without academic penalty
Mar 13 Residence halls close at 6:00 p.m.
Mar 16-20 Spring Holidays
Mar 21 Residence Halls open at 2:00 p.m.
Apr 7 Last day to withdraw or drop passing
Apr 20 Last day of class
Apr 21 Academic Preparation Day until 4:30 p.m.
Apr 21-28 Final Examinations beginning at 4:30 p.m.

All changes to this syllabus will be at the discretion of the instructor.