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.

Prof. Chris Westley: cwestley@jsu.edu http://www.jsu.edu/depart/ccba/cwestley

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:
* three 100-point tests worth 100 points each on
  * one cumulative final exam worth 150 points on April 22

All students are required to take the final exam. Of the three 100-point tests, students will be allowed to drop their lowest test score. Final grades will be based on a total of 350 possible points, and will follow the traditional scale: A (100%-90%), B (89%-80%), C (79%-70%), D (69%-60%), and F (below 60%). Please see important details on how the tests will be given in the “Other” section below.

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 a 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 will be given using Scantron form 882. (A copy of this form can be viewed at http://www.jsu.edu/depart/ccba/cwestley/Scantron882.jpg. Please purchase copies of this Scantron right away. You will require four in total. I do not provide forms in class.

Note well: It is likely that classes will be cancelled on March 11 and April 13. If this turns out to be the case, then I will provide outside assignments for those days.

Information about this event

**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). Therefore, any changes to test coverage 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)

Test 1 on February 4

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)

13-14. How inflation happens

15. Inflation with 100 percent reserve banking

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

Test 2 on March 4
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)

Test 3 on April 8

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

Final exam: April 20 from 8:00 AM to 10 AM

OTHER IMPORTANT DATES

Jan 6 Classes Commence
Jan 12 Last day to register or add classes to schedule
Jan 12 Last day to withdraw from all classes or drop a class and receive 100% tuition refund
Jan 19 Last day to withdraw from all classes and receive 80% tuition refund
Feb 2 Last day to withdraw from all classes and receive 50% tuition refund
Mar 3 Mid-term grades due
Mar 12 Last day to drop courses or withdraw without academic penalty
Mar 15-19 Spring Holidays
Apr 9 Last day to withdraw or drop passing
Apr 16 Last day of class
Apr 19-24 Final Examinations beginning at 4:30 p.m.

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