

ECON 3303-005. MONEY & BANKING
Fall, 2017

Instructor: Don Blackburn

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Office Hours: TTh 8:30 – 9:25am, or by appointment

Section Information: ECON 3303-005

Time and Place of Class Meetings: COBA 255, TTh 11:00am – 12:20pm

Description of Course Content: Monetary and banking systems of the United States, including the problems of money and prices, proper organization and functioning of commercial banking and Federal Reserve systems, problems of monetary standards, and credit control. Recent monetary and banking trends.

Course Prerequisites: ECON 2305. PRINCIPLES OF MACROECONOMICS

Course Objectives:

This course will provide an overview of the field of Money and Banking. At the end of the course you will have an understanding of the nature, operation and function of the United States money and banking systems and the Federal Reserve System, and the application of modern monetary and banking theory to domestic economic problems. Recent monetary and banking trends and financial system issues will be discussed.

Student Learning Outcomes:

At the end of this class the student should be able to:

- Explain the role of financial markets and financial intermediaries in the financial system.
- Analyze interest rates using the bond market.
- Explain the fundamentals of bank management and bank regulation.
- Explain the structure, tools, goals and strategy of the Federal Reserve System.
- Explain the transmission mechanisms of monetary policy.
- Explain the relationship between money and inflation.
- Explain the relationship between the foreign exchange market and domestic monetary policy.

Required Textbooks and Other Course Materials:

MyEconLab, Pearson Online Access Card Package for The Economics of Money, Banking, and Financial Markets, 11th Edition, Frederic S. Mishkin, **INCLUDING THE eTEXT (Required - See notes below)** (ISBN 9780133862515)

DO NOT register your MyEconLab Access Code until we have our first class meeting. If you do, you may have to purchase another access code.

If you prefer a paper text, email me before purchasing the MyEconLab Access Package from the UTA Bookstore. If you have questions about this, email me.

Course Text Outline:

- Chapter 1 – Why Study Money, Banking, and Financial Markets?
- Chapter 2 -- An Overview of the Financial System
- Chapter 3 -- What is Money?
- Chapter 4 -- The Meaning of Interest Rates

Chapter 5 -- The Behavior of Interest Rates
Chapter 6 -- The Risk and Term Structure of Interest Rates
Chapter 7 -- The Theory of Rational Expectations and the Efficient Market Hypothesis
Chapter 8 -- An Economic Analysis of Financial Structure
Chapter 9 -- Banking and the Management of Financial Institutions
Chapter 10 -- Economic Analysis of Banking Regulations
Chapter 11 -- Banking Industry: Structure and Competition
Chapter 12 -- Financial Crises
Chapter 13 -- Central Banks and the Federal Reserve System
Chapter 14 -- The Money Supply Process
Chapter 15 -- The Tools of Monetary Policy
Chapter 16 -- The Conduct of Monetary Policy: Strategy and Tactics
Chapter 17 -- The Foreign Exchange Market
Chapter 18 -- The International Financial System
Chapter 23 -- Monetary Policy Theory
Chapter 24 -- The Role of Expectations in Monetary Policy
Chapter 25 -- Transmission Mechanisms of Monetary Policy

Some chapters in the text may not be covered or may be only partially covered. Chapters may not be covered in numerical order. The Course Schedule below identifies the areas of study by week. It does **NOT** identify specific text chapters or other materials that cover those subjects.

Current events will be introduced during the semester as appropriate.

Major Assignments and Examinations:

Two examinations plus a comprehensive Final Examination will be given.
Each student must prepare and give a class presentation as part of a team.

Attendance:

At The University of Texas at Arlington, taking attendance is not required but attendance is a critical indicator in student success. Each faculty member is free to develop his or her own methods of evaluating students' academic performance, which includes establishing course-specific policies on attendance.

As the instructor of this section, I have elected to take attendance at class meetings to satisfy U.S. Department of Education requirements set out below and for class participation events. I will not factor attendance into the grade except for class participation events.

However, while UT Arlington does not require instructors to take attendance in their courses, the U.S. Department of Education requires that the University have a mechanism in place to mark when Federal Student Aid recipients "begin attendance in a course." UT Arlington instructors will report when students begin attendance in a course as part of the final grading process. Specifically, when assigning a student a grade of F, faculty report the last date a student attended their class based on evidence such as a test, participation in a class project or presentation, or an engagement online via MyEconLab or Blackboard. This date is reported to the Department of Education for federal financial aid recipients.

Should any official request for your attendance be made, I will reply to that request based on my class attendance records.

Students are expected to attend each class and are expected to **arrive on time** and come to each class having read the text and having read or viewed other materials for that class and with any other assignments or assessments completed. Answering the end of chapter questions for the material to be covered in each class is an explicit part of reading the text and should be completed before the class. We will work some of these problems in class.

Students who miss a class are responsible for securing any and all coursework or announcements missed. It is my suggestion that each student make an arrangement with one or two other students for securing all coursework or announcements missed. **I will not provide this information.**

Other Requirements:

Cell phones are allowed in class **ONLY** for class-related purposes. They otherwise must be turned off or silenced and not on desk surfaces during class.

Other electronic devices are allowed in class only for class-related purposes, such as when your text is in electronic form on the device, you take class notes with it, or class participation requires it.

Grading and Methods of Evaluation:

Grades: A = 89.50-100 B = 79.50-89.49 C = 69.50-79.49 D = 59.50-69.49 F = 59.49 and below

Exams: Two exams plus the Final Exam will be given. Exams 1 and 2 are each worth **15%** of your grade (**30% total**). The Final Exam is worth **20%** of your grade. Tentative dates for these exams and the fixed date of the Final Exam are:

Exam 1: Tuesday, 9/26/2017

Exam 2: Tuesday, 10/31/2017

Final Exam: Tuesday, 12/12/2017 (**11:00am - 1:30pm**)

The date and content of the exams and the content of the Final Exam are dependent on class progress and may be adjusted during the semester. Announcements will be made in class for any exam content and date changes. **The date and time of the Final Exam is fixed by the University.**

Class Presentation: A class presentation on a chosen subject is **20%** of your grade. Students will be in self-selected teams. The subjects of presentations will be announced in class and each team of students will select a subject. **If a student does not materially participate in developing and actually assist in presenting their team's class presentation, they will receive a grade of zero (0).** These presentations are expected to occur during class sessions toward the end of the semester. The dates for these presentations will be selected in class.

Class Participation: Class participation is **10%** of your grade. Class participation events include all student class presentations. Other participation events will be announced in class. In order to receive a class participation event grade, you must be in attendance for that class period. If you are not present or are significantly tardy during the class period for that event, you will receive a grade of zero (0).

Homework Assignments: Homework Assignments are **10%** of your grade. Homework Assignments will be administered through MyEconLab. All Homework Assignments are individual effort open-book. **The lowest two (2) Homework Assignment grades will be dropped.**

Quizzes: Quizzes are **10%** of your grade. Quizzes will be administered through MyEconLab, Blackboard or in class. In-class quizzes may be announced or unannounced. All quizzes, regardless of medium are individual effort closed book. It is anticipated that there will be a quiz over the material in each subject covered. **The lowest two (2) Quiz grades will be dropped.**

Make-up Homework Assignment, Quiz, Participation and Exam Policy: If you miss a homework assignment, quiz or participation event, grades **WILL NOT** be made up for any reason and will result in a grade of zero (0) for that homework assignment, quiz or participation event. If you miss either Exam 1 or Exam 2 for a valid reason **completely and totally beyond your control**, you **MAY** be allowed to substitute the Final Exam percentage grade for only **ONE (1)** missed exam percentage grade. This **IS NOT A GUARANTEE** that you may miss an exam and receive a grade other than zero (0) on it. I reserve the right to determine the validity of and require documentation proof for the absence excuse to be valid and accepted. If at all possible, notify me by email **BEFORE** the exam class if you must miss an exam, but in no case later than the next class period. **YOU MUST TAKE THE FINAL EXAM.**

Other devices: You may use an approved calculator for any MyEconLab, Blackboard or in-class quiz or in-class Exam or Final Exam, but may not share a calculator. **NO** other electronic devices may be used during an in-class quiz, Exam or the Final Exam.

Expectations for Out-of-Class Study: Beyond the time required to attend each class meeting, students enrolled in this course should expect to spend at least an additional nine (9) hours per week of their own time in course-related activities, including reading required materials, completing assignments and assessments, taking notes, preparing for exams, etc.

Blackboard: This class will use Blackboard, an electronic learning software platform, for the distribution of course information, including grade results during the semester, and for some quizzes. Go to <http://elearn.uta.edu/> to log in. Be sure to check the class Blackboard site on a regular basis for announcements and other material related to class.

Grade Grievances: Any appeal of a grade in this course must follow the procedures and deadlines for grade-related grievances as published in the current University Catalog.

Drop Policy: Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance.** Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://www.uta.edu/aao/fao/>). **ABSOLUTELY NO DROPS AFTER THE OFFICIAL LAST DAY TO DROP.**

Disability Accommodations: UT Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including *The Americans with Disabilities Act (ADA)*, *The Americans with Disabilities Amendments Act (ADAAA)*, and *Section 504 of the Rehabilitation Act*. All instructors at UT Arlington are required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of disability. Students are responsible for providing the instructor with official notification in the form of a **letter certified** by the Office for Students with Disabilities (OSD). Only those students who have officially documented a need for an accommodation will have their request honored. Students experiencing a range of conditions (Physical, Learning, Chronic Health, Mental Health, and Sensory) that may cause diminished academic performance or other barriers to learning may seek services and/or accommodations by contacting:

The Office for Students with Disabilities, (OSD) www.uta.edu/disability or calling 817-272-3364. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at www.uta.edu/disability.

Counseling and Psychological Services, (CAPS) www.uta.edu/caps/ or calling 817-272-3671 is also available to all students to help increase their understanding of personal issues, address mental and behavioral health problems and make positive changes in their lives.

Non-Discrimination Policy: *The University of Texas at Arlington does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disabilities, genetic information, and/or veteran status in its educational programs or activities it operates. For more information, visit uta.edu/eos.*

Title IX Policy: The University of Texas at Arlington ("University") is committed to maintaining a learning and working environment that is free from discrimination based on sex in accordance with Title IX of the Higher Education Amendments of 1972 (Title IX), which prohibits discrimination on the basis of sex in educational programs or activities; Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits sex discrimination in employment; and the Campus Sexual Violence Elimination Act (SaVE Act). Sexual misconduct is a form of sex discrimination and will not be tolerated. *For information regarding Title IX, visit www.uta.edu/titleIX or contact Ms. Jean Hood, Vice President and Title IX Coordinator at (817) 272-7091 or jmhood@uta.edu.*

Academic Integrity: Students enrolled all UT Arlington courses are expected to adhere to the UT Arlington Honor Code:

I pledge, on my honor, to uphold UT Arlington's tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.

I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.

UT Arlington faculty members may employ the Honor Code in their courses by having students acknowledge the honor code as part of an examination or requiring students to incorporate the honor code into any work submitted. Per UT System *Regents' Rule* 50101, §2.2, suspected violations of university's standards for

academic integrity (including the Honor Code) will be referred to the Office of Student Conduct. Violators will be disciplined in accordance with University policy, which may result in the student's suspension or expulsion from the University. Additional information is available at <https://www.uta.edu/conduct/>.

It is the philosophy of The University of Texas at Arlington that academic dishonesty is a completely unacceptable mode of conduct and will not be tolerated in any form.

Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give an unfair advantage to a student or the attempt to commit such acts.

Electronic Communication: UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

Campus Carry: Effective August 1, 2016, the Campus Carry law (Senate Bill 11) allows those licensed individuals to carry a concealed handgun in buildings on public university campuses, except in locations the University establishes as prohibited. Under the new law, openly carrying handguns is not allowed on college campuses. For more information, visit <http://www.uta.edu/news/info/campus-carry/>

Student Feedback Survey: At the end of each term, students enrolled in face-to-face and online classes categorized as "lecture," "seminar," or "laboratory" are directed to complete an online Student Feedback Survey (SFS). Instructions on how to access the SFS for this course will be sent directly to each student through MavMail approximately 10 days before the end of the term. Each student's feedback via the SFS database is aggregated with that of other students enrolled in the course. Students' anonymity will be protected to the extent that the law allows. UT Arlington's effort to solicit, gather, tabulate, and publish student feedback is required by state law and aggregate results are posted online. Data from SFS is also used for faculty and program evaluations. For more information, visit <http://www.uta.edu/sfs>.

Final Review Week: for semester-long courses, a period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week **unless specified in the class syllabus**. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

Emergency Exit Procedures: Should we experience an emergency event that requires us to vacate the building, students should exit the room and move toward the nearest exit or emergency exit. When exiting the building during an emergency, one should never take an elevator but should use the stairwells. Faculty members and instructional staff will assist students in selecting the safest route for evacuation and will make arrangements to assist individuals with disabilities.

Evacuation plans may be found at http://www.uta.edu/campus-ops/ehs/fire/Evac_Maps_Buildings.php. In the case that you are unable to ascertain this information in time for your syllabus, you must be sure to explain to your students on day one how best to exit the building. Inclusion of this verbiage as well as a brief discussion on the matter with your students at the beginning of the term is mandated by UT Arlington Procedure 7-6: Emergency/Fire Evacuation Procedures <http://www.uta.edu/police/EvacuationProcedures.pdf>.

Students should also be encouraged to subscribe to the MavAlert system that will send information in case of an emergency to their cell phones or email accounts. Anyone can subscribe at <https://mavalert.uta.edu/> or <https://mavalert.uta.edu/register.php>

Student Support Services: UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include [tutoring](#), [major-based learning centers](#), developmental education, [advising and mentoring](#), personal counseling, and [federally funded programs](#). For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to resources@uta.edu, or view the information at <http://www.uta.edu/universitycollege/resources/index.php>.

University Tutorial & Supplemental Instruction (Ransom Hall 205): UTSI offers a variety of academic support services for undergraduate students, including: 60 minute one-on-one tutoring sessions, Start Strong Freshman tutoring program, and Supplemental Instruction. Office hours are Monday-Friday 8:00am-5:00pm. For more information visit www.uta.edu/utsi or call 817-272-2617.

The IDEAS Center: (2nd Floor of Central Library) offers **free** tutoring to all students with a focus on transfer students, sophomores, veterans and others undergoing a transition to UT Arlington. To schedule an appointment with a peer tutor or mentor email IDEAS@uta.edu or call (817) 272-6593.

The English Writing Center (411LIBR): The Writing Center Offers free tutoring in 20-, 40-, or 60-minute face-to-face and online sessions to all UTA students on any phase of their UTA coursework. Our hours are 9 am to 8 pm Mon.-Thurs., 9 am-3 pm Fri. and Noon-6 pm Sat. and Sun. Register and make appointments online at <http://uta.mywconline.com>. Classroom Visits, workshops, and specialized services for graduate students are also available. Please see www.uta.edu/owl for detailed information on all our programs and services.

The Library's 2nd floor Academic Plaza offers students a central hub of support services, including IDEAS Center, University Advising Services, Transfer UTA and various college/school advising hours. Services are available during the library's hours of operation. <http://library.uta.edu/academic-plaza>

Bomb or Other Threats: If anyone is tempted to call in a bomb or other threat, be aware that UTA will attempt to trace the phone call and prosecute all responsible parties. Every effort will be made to avoid cancellation of presentations or tests caused by bomb threats. Unannounced alternate sites will be available for these classes. Your instructor will make you aware of alternate class sites in the event that your classroom is not available.

Course Schedule:

An Excel spreadsheet for this schedule will be posted in Blackboard for this course. This schedule is subject to change. Announcements will be made in class for any changes and revised spreadsheets will be posted in Blackboard. **The spreadsheets in Blackboard will supersede this schedule if different.**

Week 1

Introductions; Syllabus; MyEconLab Orientation

Week 2

Why Study Money, Banking, and Financial Markets; An Overview of the Financial System; What is Money?;

Week 3

Select Presentation Teams and Subjects; The Meaning of Interest Rates; The Behavior of Interest Rates

Week 4

The Behavior of Interest Rates; The Risk and Term Structure of Interest Rates

Week 5

The Theory of Rational Expectations and the Efficient Market Hypothesis; Review for Exam 1

Week 6

EXAM 1; Discussion of Exam 1 results; An Economic Analysis of Financial Structure

Week 7

Banking and the Management of Financial Institutions; Economic Analysis of Banking Regulations;

Week 8

Banking Industry: Structure and Competition; Financial Crises

Week 9

Central Banks and the Federal Reserve System; The Money Supply Process

Week 10

The Money Supply Process; Review for Exam 2

Week 11

EXAM 2; Discussion of Exam 2 results; The Tools of Monetary Policy;
Week 12
The Conduct of Monetary Policy: Strategy and Tactics; Monetary Policy Theory; The Role of Expectations in Monetary Policy
Week 13
Transmission Mechanisms of Monetary Policy; The Foreign Exchange Market; The International Financial System
Week 14
Class Presentations; **THANKSGIVING HOLIDAY**
Week 15
Class Presentations
Week 16
Review for Final Exam

"As the instructor for this course, I reserve the right to adjust this schedule in any way that serves the educational needs of the students enrolled in this course. - Donald C. Blackburn"

Emergency Phone Numbers: In case of an on-campus emergency, call the UT Arlington Police Department at **817-272-3003** (non-campus phone), **2-3003** (campus phone). You may also dial 911. Non-emergency number 817-272-3381

Library Resources for Students:

Library Home Page library.uta.edu

Academic Help

Academic Plaza Consultation Services library.uta.edu/academic-plaza

Ask Us ask.uta.edu/

Library Tutorials library.uta.edu/how-to

Subject and Course Research Guides libguides.uta.edu

Subject Librarians library.uta.edu/subject-librarians

Research Coaches <http://libguides.uta.edu/researchcoach>

Resources

A to Z List of Library Databases libguides.uta.edu/az.php

Course Reserves pulse.uta.edu/vwebv/enterCourseReserve.do

FabLab fablab.uta.edu/

Scholarly Communications (info about digital humanities, data management, data visualization, copyright, open educational resources, open access publishing, and more)

<http://library.uta.edu/scholcomm>

Special Collections library.uta.edu/special-collections

Study Room Reservations openroom.uta.edu/

Teaching & Learning Services for Faculty

Copyright Consultation library-sc@listserv.uta.edu

Course Research Guide Development, Andy Herzog amherzog@uta.edu or your subject librarian

Data Visualization Instruction, Peace Ossom-Williamson peace@uta.edu

Digital Humanities Instruction, Rafia Mirza rafia@uta.edu

Graduate Student Research Skills Instruction, Andy Herzog amherzog@uta.edu or your subject librarian

Project or Problem-Based Instruction, Gretchen Trkay gtrkay@uta.edu

Undergraduate Research Skills Instruction, Gretchen Trkay gtrkay@uta.edu or your subject librarian.

Environmental Health & Safety (<http://www.uta.edu/ehsafety>)