

Spears School of Business
ECON 3313.613: Money and Banking
September 14 – November 6
Fall 09

Instructor: Bill McLean
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Office Hours: Tuesday: noon – 1 PM and Thursday: 8-9 AM
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Technical and enrollment support: CEPD Distance Learning Office, 108 Gundersen, cepd-dl@okstate.edu or call (866)-678-3933 or (405) 744-4048.

Homepage: oc.okstate.edu (Desire2Learn)

Prerequisite: ECON 2203: Principles of Macroeconomics or equivalent

Required Text: Frederic S. Mishkin, *The Economics of Money, Banking, and Financial Markets*, 9th ed. Boston, MA: Addison-Wesley, 2010. Editions 7, 7 Update and 8 are acceptable.

Course Objectives: The main objectives of the course are to provide students an understanding of:

- 1) The organization, functioning, and importance of the US financial system
- 2) The organization, decision-making process, and operations of the Federal Reserve System
- 3) The conduct and impact of monetary policy on the macro economy.

The course broadly covers the economics of money, financial intermediaries, US financial system, monetary policy, and monetary theory.

Homework: (oc.okstate.edu)

Economics is best learned by doing. Problems and questions for chapters are posted with the unit problem set. The problem sets are posted at the above homepage website. **Timely** completion of the assigned problem sets will enhance your learning of the concepts within the problem sets. Each chapter problem set has a solution provided. Compare your answers to the solutions. If you have questions about the solutions, then contact me during the chat room sessions, by email or phone. There is a high correlation between problem set questions and exam questions. Pay attention to the concept being evaluated.

We will have weekly chat room sessions. The time will be announced during the first week of class.

Course Outline and Exam Coverage:

Unit 1:

- Chapter 1, Why Study Money and Banking
- Chapter 2, Overview of the Financial System
- Chapter 3, What is Money?
- Chapter 4, Understanding Interest Rates

Chapter 5, The Behavior of Interest Rates
Chapter 6(-), The Risk and Term Structure of Interest Rates
EXAM 1

Unit 2:

Chapter 9, Financial Crises and the Subprime Debacle
Chapter 10, Banking and the Management of Financial Institutions
Chapter 12, Banking Industry
Chapter 13, Structure of the Federal Reserve System
Chapter 14, The Money Supply Process
Chapter 15, Tools of Monetary Policy
EXAM 2

Unit 3:

Chapter 19(-), The Demand for Money
Chapter 20, The ISLM Model
Chapter 21, Monetary and Fiscal Policy in the ISLM Model
Chapter 22, Aggregate Demand and Supply Analysis
EXAM 3

Exams and proctor policy:

There will be three one hour unit exams. See **Course Schedule** below for times, dates, and location. Each exam contains multiple-choice and possibly short answer questions over the designated sections. The questions evaluate basic knowledge, concept application, analytical skills, and material application. Questions often have multiple answers.

Stillwater students will take exams in **Engineering North (EN) 108** on pre-scheduled dates. ***If you are a Stillwater student with complications, visit the CEPD Distance Learning office (405) 744-4048 for guidance. NO MAKEUP EXAMS.***

Tulsa students can opt for the OSU-Tulsa Testing Center. ***Contact Kim Reyes 48 hours prior to the exam date at (918) 594-8231 to set up an exam appointment. Her staff will proctor your exam at the OSU-Tulsa campus. Complete a proctor form first, and fax to the CEPD Distance Learning office at (405) 744-1891.***

Students not located in Stillwater or Tulsa will need to use a testing center. Please read the information and complete the Proctor Form located at this website:

<http://spears.okstate.edu/files/documents/distance/guide/proctoragreementform-tc.pdf>
<http://spears.okstate.edu/distance/guide/policies>

Regardless of testing site, all students are required to take the exam on or before the regularly scheduled exam day. A penalty of 10 points will be assessed against your exam score for each day the exam was taken late.

You are notified of exam grades on D2L; however I keep your exam and scantron in my office. You may review your graded exams in my office during office hours or by appointment.

Grades: Exams (3 @ 100 points each plus best exam counted twice). Final course grades will be based on the following scale:

- A: 360-400 points
- B: 316-359 points

- C: 272-315 points
- D: 228-271 points
- F: Less than 228 points

Course Schedule

ECON 3313.613 (SSB-8 Wk)		
Week	Period	Material Covered/Event
5	Sept 14-18	Chapters 1 -3
5	No Later Than Sunday 11 PM, 20 Sep	TUCE IV (On-line at D2L under quizzes)
6	Sept 21-25	Chapters 4 -5 & 6(-)
7	Mon, Sept 28 5:30-6:30 PM	Exam 1: Engineering North 108
7	Sept 28-Oct 2	Chapter 9 & 10
8	Oct 5-9	Chapters 12-14
9	Oct 12-16	Chapter 15
10	Mon, Oct 19 5:30-6:30 PM	Exam 2: Engineering North 108
10	Oct 19-23	Chapters 19-20
11	Oct 26-30	Chapters 21-22
12	Thur, Nov 5 5:30-6:30 PM	Exam 3: Engineering North 108

Students with Disabilities

Every effort will be made to create a positive learning environment for all students. Any students requiring special accommodations should contact the Student Disabilities Office as soon as possible.

Academic Dishonesty Policy

Oklahoma State University is committed to the maintenance of the highest standards of integrity and ethical conduct of its members. This level of ethical behavior and integrity will be maintained in this course. Participating in a behavior that violates academic integrity (e.g., unauthorized collaboration on homework or assignments, plagiarism, multiple submissions of the same assignment, cheating on examinations, fabricating information, helping another person cheat, having unauthorized advance access to examinations, altering or destroying the work of others, and fraudulently altering academic records) will result in your being sanctioned. Violations may subject you to disciplinary action including the following: receiving a failing grade on an assignment, examination or course, receiving a notation of a violation of academic integrity on your

transcript, and being suspended from the University. You have the right to appeal the charge. Contact the Office of Academic Affairs, 101 Whitehurst, 405-744-5627, <<http://osu.okstate.edu/acadaffr/aa/academicintegrity.htm>