



WALSH UNIVERSITY

School *for* Professional Studies

ECON 312

Money and Banking

***ASSIGNMENT DUE ON THE FIRST NIGHT
OF CLASS: SEE PAGE 3***

PREREQUISITE: ECON 202

**ECON312
MONEY AND BANKING**

COURSE DESCRIPTION

Nature of money and monetary systems, monetary theory, its function and relationship between money, prices, and the level of income; monetary policy in the U.S.; nature of banking and credit; structure and operations of commercial banks, other financial institutions and the Federal Reserve System.

COURSE OBJECTIVES

Upon completion of the course, students will be able to:

1. understand the role and the functions of money and banking, and financial markets
2. a complete understanding of the operations of the financial system
3. understand interest rates and their impact on economic activities
4. bank management, regulations and deregulations
5. the importance of non-bank financial institutions
6. the U.S. money supply - the movement in the monetary base
7. the goals, tools of the monetary policy
8. relationship between the monetary policy and the interacting financial system
9. the demand for money: money's economic activities, money and inflation
10. the Keynesian framework and the ISLM model
11. monetary and fiscal policy in the ISLM model

GRADING CRITERIA

Quiz (first night)	10%
Exam #1	25%
Exam #2	25%
Written answers to the end of chapters' questions	15%
Weekly assigned writing essays	20%
Class participation	5%

MATERIAL OF INSTRUCTION

Required Texts: ***The Economics of Money, Banking, and Financial Markets***, by
Frederick S. Mishkin, 8th Ed. Update, Addison-Wesley, 2007.

Optional by Instructor - The Federal Reserve Bulletin

Optional by Instructor - The Wall Street Journal

***Please review the School for Professional Studies textbook list for most up to date edition.**

NOTES REGARDING WORKLOAD

This course will meet once a week, for 4 hours at a time, for a total of five weeks. The highly accelerated pace requires students to take a great deal of responsibility for their own learning outcomes. While in class, students are expected to participate actively in discussion and group activities. Outside of class, students are expected to do a **minimum of 15 hours per week** of study, homework assignment and/or group projects.

ASSIGNMENTS TO BE COMPLETED PRIOR TO WORKSHOP ONE

1. Read Chapters 1, 2, 5, and 6 of the text.
2. Be prepared for a short 10 point quiz the first night of class covering these chapters
2. Please bring an article from a newspaper, magazine or the Internet covering an **Economic Topic** of your choice.

WORKSHOP ONE

OBJECTIVES

Upon completion of this workshop, students will be able to demonstrate clear understanding of:

1. the relevance of money, banking and financial markets.
2. fiscal Policy and Monetary Policy and financial system.
3. the behavior of the interest rates
4. the structure and importance of the interest rates

ACTIVITIES

1. Course overview: expectations, grading criteria, examinations types and dates.
2. Discuss weekly workshop essays.
3. The facilitator will lead a discussion based on chapters 1, 2, 5, and 6.
4. Class discussion over Economic Topics.
5. Prepare to take a short quiz over chapters 1, 2, 5, and 6.

ASSIGNMENTS TO BE COMPLETED PRIOR TO WORKSHOP TWO:

1. Read Chapters 3, 4, and 7, and 8.
2. Write a 3 page typewritten essay on a subject of your choice from the assigned chapters (3, 4, 7, and 8).
3. Prepare written answers to the following questions:

Chapter 3, #12

Chapter 4, #8

Chapter 7, #17

Chapter 8, #1

WORKSHOP TWO

OBJECTIVES

Upon completion of this workshop, students will be able to demonstrate a clear understanding of:

1. meaning and measuring money.
2. distinction between interest rates and returns.
3. measuring interest rates and discount basis.
4. the structures of stock market.
5. the Theory of Rational Expectations.
6. transaction costs and how financial intermediaries reduce these costs.

ACTIVITIES

1. Discussion over the workshop essays.
2. The facilitator will lead a discussion on chapters 3, 4, 7, and 8.
3. Discuss written answers to the end of assigned chapters.

ASSIGNMENTS TO BE COMPLETED PRIOR TO WORKSHOP THREE

1. Read chapters 9, 10, and 11.
2. Write a 3 page typewritten essay on a subject of your choice over chapters 9, 10 and 11.
3. Prepare written answers to the following questions:

Chapter 9 # 5, and 13
Chapter 10 # 3

4. Prepare to take your first test over chapters 3, 4, 7, 8, 9, and 10.

WORKSHOP THREE

OBJECTIVES

Upon completion of this workshop, students will be able to demonstrate a clear understanding of:

1. basic banking and managing credit risk
2. moral hazard and its effects over debts and equity contract choices.
3. financial crises and aggregate economic activity.
4. structure of the U.S. commercial banking industry.
5. international banking regulation.

ACTIVITIES

1. Discuss student' essays.
2. The facilitator will lead in a discussion over chapters 9, 10, and 11.
3. Discussions over end of chapters questions.
4. Test # 1 over chapters 3, 4, 7, 8, 9 and 10

ASSIGNMENTS TO BE COMPLETED PRIOR TO WORKSHOP FOUR

1. Read Chapter 12, 14, 15, and 17.
2. Write 3 page typewritten essay on a subject of your choice from the assigned chapters (12, 14, 15, and 17).

3. Prepare written answers to the following questions:

Chapter 12, # 4
Chapter 14, # 12
Chapter 15, # 12
Chapter 17, # 2

WORKSHOP FOUR

OBJECTIVES

Upon completion of this workshop, students will be able to demonstrate a clear understanding of:

1. structure of Central Banks and the Federal Reserve System.
2. determinants of the Money Supply.
3. open market operation and discount policy.
4. foreign exchange market and exchange rate.

ACTIVITIES

1. Students' discussions over their workshop essays.
2. The facilitator will lead in a discussion on the material over chapters 12, 14, 15, and 17.
3. Discussion over the end of chapters' questions.

ASSIGNMENTS TO BE COMPLETED PRIOR TO WORKSHOP FIVE

1. Read Chapters 18, 22, and 24 of text.
2. Write a 3 page typewritten essay on a subject of your choice from the assigned chapter (18, 22, and 24).
3. Prepare written answers to the following questions:

Chapter 18, #1
Chapter 22, #5

Chapter 24, # 3

4. Prepare to take the second test over Chapters 12, 14, 15, 17, 18, 22 and 24.

WORKSHOP FIVE

OBJECTIVES

Upon completion of this workshop, students will be able to demonstrate a clear understanding of:

1. intervention in the foreign exchange market.
2. aggregate demand and supply analysis.
3. money and inflation.

ACTIVITIES

1. Discuss over students' workshop essays.
2. The facilitator will lead in a discussion based on the material found in the chapters 18, 22, and 24.
3. Discussions over chapters' questions.
4. Students will take the second test over chapters 12, 14, 15, 17, 18, 22, and 24.
5. Students will evaluate the course facilitator.