Money and Banking

ECON 3303

Syllabus

Instructor Information

- Prof. William J. Crowder, PhD, Economics
- Office: 321 Business Building
- E-mail: crowder@uta.edu
- Web page: http://www.uta.edu/faculty/crowder/
- Office Hours: by appointment.

Textbook

The Economics of Money, Banking and Financial Markets

(click on link for special textbook pricing), Frederic S. Mishkin, Pearson, 11th Edition. (Note: MyEconLab is not used in this course)

Prerequisites

Principles of macroeconomics and college algebra.

Grading

Grades will be based on five exams, four written assignments and class participation via discussion boards.

POINTS:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Points</th>
<th>Suggested</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam # 1 (Ch. 1-3)</td>
<td>100</td>
<td>January 27, 2018</td>
<td>February 3, 2018</td>
</tr>
<tr>
<td>Exam # 2 (Ch. 4-7)</td>
<td>100</td>
<td>February 24, 2018</td>
<td>March 3, 2018</td>
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<tr>
<td>Exam # 3 (Ch. 8-11)</td>
<td>100</td>
<td>April 3, 2018</td>
<td>April 21, 2018</td>
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<tr>
<td>Exam # 4 (Ch. 13-15)</td>
<td>100</td>
<td>April 28, 2018</td>
<td>May 5, 2018</td>
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<tr>
<td>Final Exam</td>
<td>100</td>
<td></td>
<td>May 10, 2018</td>
</tr>
<tr>
<td>Writing Assignments</td>
<td>80</td>
<td></td>
<td></td>
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<tr>
<td>20 pts each</td>
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<td></td>
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<td>-------------</td>
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<td></td>
</tr>
<tr>
<td>Discussion Board Participation</td>
<td>20</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>500</td>
<td></td>
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</tbody>
</table>

3 highest exam scores + Final + 4 Writing Assignments + Discussion Board Participation

**SCALE:**

- 100-90%    A
- 89-80%     B
- 79-70%     C
- 69-60%     D
- Below 60%  F

**Course Requirements**

**Exams:** The course is divided into four parts, each with an over-arching theme. Each part will have a 50-question multiple choice exam. Each exam question is worth two points. Your lowest mid-term exam score will be dropped before the calculation of the final course grade. (The final exam cannot be dropped.) Each exam has a different due date, e.g. exam 1 must be taken by February 3, 2018. After the due date the exam will no longer be available. If you do not take the exam by the due date you will receive a score of zero on that exam. You must download and install the **Respondus Lockdown Browser** in order to take the online exams. Once you begin the exam, you must complete it. You will not be able to save and return later. Each exam is timed (90 minutes) and will automatically close and submit at the completion of the allotted time. When taking the online exams you are allowed 3 items; 1) a basic four-function calculator, 2) writing implement like a pen or pencil and 3) one 8.5 X 11 inch sheet of paper with one side allowed to have hand written notes, what may be called a "cheat sheet", and the other side left blank as scratch paper. The Respondus Lockdown Browser will require you to have a web cam active throughout the exam. Other requirements, showing I.D. to camera, panning surrounding environment with camera, etc. may be required to ensure a secure testing environment.

**Writing Assignment:** At the end of each of the four course parts is a writing assignment. This should be a one or two page response to the question or scenario posted. The written assignments also have different due dates. After the due date the written assignment will no longer be available. If you do not complete the written assignment by the due date you will receive a score of zero on that assignment. An example of the grading rubric used can be found [here](https://elearn.uta.edu/webapps/blackboard/content/listContentEditable.jsp?content_id=_6186449_1&course_id=_409812_1&mode=reset).

**Discussion Board Participation:** Each of the 14 sections of the course has a discussion board reserved for that section’s topics only, i.e. week 7 discussions do not go on week 11 board. What kinds of things can/should be posted to the discussion board? Any questions you may have related to the course material are welcome in the discussion forum, as are appropriate comments and responses. Questions on the discussion board may be directed at me (the instructor) or to your classmates. Please follow existing threads when commenting or responding to questions. New threads should be created only for new questions or discussion topics. In order to earn the 20 points possible, you must post to 5 (five) out of the 14 discussion boards over the course of the semester. Your posts must be substantial and non-trivial. The posts may be in the form of questions, ideas, comments, etc. Links to outside sources are encouraged. For example - "I just read in Really Good Business Journalism, that..." would be an appropriate new thread topic. The quality of your contributions to the course discussion boards is a factor in determining the points you earn. An example of the grading rubric used can be found [here](https://elearn.uta.edu/webapps/blackboard/content/listContentEditable.jsp?content_id=_6186449_1&course_id=_409812_1&mode=reset).
Final Exam: The final exam is a comprehensive 100-question multiple choice test. The final exam must be completed by the final exam date for this class (May 10, 2018). After this date the final exam will no longer be available. If you do not take the final exam by the due date you will receive a score of zero on final exam.

This is a self-paced course. You may complete all exams and assignments as soon as you want. But there are due dates for all assignments and exams. All assignments must be completed and returned to the instructor by the due date. NO late assignments will be accepted!

You are strongly encouraged to follow the suggested timeline for the course.

Feedback
Exam scores with correct/incorrect answers are available immediately following completion.

Written assignments will be graded and returned within 10 days of submission.

Instructor response to e-mail will be within 48 hours.

Discussion board responses from the instructor will depend on the context, but direct questions to the instructor should be answered with 48 hours.

Study Aids
Quizzes: Each weekly lesson is followed by a ten-question multiple choice practice quiz. The results are not counted towards your final grade. Use the quiz results to identify the concepts that you need to work on for the section exam.

Learning Objectives
1. You will be able to identify the function that the financial system performs and the role financial institutions play within that system.
2. You will be able to evaluate the role played by asset markets in the financial system, especially that of the bond market.
3. You will be able to define the concept of asymmetric information and depict its implications for the financial system.
4. You will be able to delineate the structure of the Federal Reserve System and quantify the money supply process.

Course Description
In this course you learn about the financial system in the U.S. and the critical role it plays in the functioning of the economy. Topics will include the determination of interest rates in the bond market and the valuation of assets using the present value model. The structure of the financial system will be analyzed to determine the key economic factors responsible. The regulatory structure is also analyzed to understand the economic forces at work that can lead to market failures. And the monetary system is revealed through an analysis of the relationship between the banking system and the Federal Reserve.

Course Outline

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Textbook Chapter</th>
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</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Overview of the Financial System</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>What is Money?</td>
<td>3</td>
</tr>
</tbody>
</table>
Interest Rates

Understanding Interest Rates 4
Behavior of Interest Rates 5
Risk and Term Structure of Interest Rates 6
Rational Expectations: The Stock Market 7

Banking

Economic Analysis of Financial Structure 8
Management of Financial Institutions 9
Economic Analysis of Financial Regulation 10
Structure of the Financial System 11

Monetary Policy

Structure of the Federal Reserve 13
Money Supply Process 14
The Tools of Monetary Policy 15

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. Attendance will not be taken as part of the grading procedure. 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 Blackboard. This date is reported to the Department of Education for federal financial aid recipients.

Non-Payment of Fees Policy

Students who have not paid their fees by the census date and are dropped for non-payment cannot receive a grade for the course under any circumstances. Emergency loans are available from the Financial aid Office.

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/.

**Students with Disabilities**

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.

**Grade Grievances**

You have one calendar year from the date the grade is assigned to initiate any grievance. The normal academic channels are 1) the course instructor, 2) department chair, 3) academic dean, and 4) the Provost.

**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.

**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/aaofao/)

**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](http://www.uta.edu/sfs).

### 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](http://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](http://www.uta.edu/titleIX) or contact Ms. Jean Hood, Vice President and Title IX Coordinator at (817) 272-7091 or [jmhood@uta.edu](mailto:jmhood@uta.edu).

### 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/](http://www.uta.edu/news/info/campus-carry/)

### 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](mailto:resources@uta.edu), or view the information at [http://www.uta.edu/universitycollege/resources/index.php](http://www.uta.edu/universitycollege/resources/index.php).