UNIVERSITY OF MARYLAND
MONEY AND BANKING
Economics 330 – Fall 2015

Professor: Martina Copelman    Office: TDY 3127 F at College Park
Phone: (301) 405-3548          Lecture: Fridays 9:40-12:20 pm
Email: copelman@econ.umd.edu (ONLY)    Room: BLDG 2-3032

Office Hours: By appointment (please see me or send me an email)

TA: Gloria Chen chen@econ.umd.edu.
Office hours: Thursdays from 5:30-6:30 pm in Building 2-1362 A.

COURSE DESCRIPTION AND OBJECTIVES:

The course will give an overview of the financial system and its role in the macroeconomy. The objective of this course is to develop a clear understanding of the broad features of financial markets, the determination of interest rates and the term structure of interest rates. Students will be able to conduct an economic analysis of the features of financial structure, read a bank balance sheet and understand the general principles of bank management and reasons and drawbacks of regulation. Students should be able to understand how asymmetric information impacts the efficiency of the financial system. By the end of the semester students will be able to analyze current events using the theories and concepts economists use to think about monetary policy, interest rates, and the effects of these on the financial system, understand the basic structure of banks, the determination of the exchange rate, financial crises, the basic process of money creation and the application of monetary policy. Students should be able to illustrate the use of the theories learned by using graphical and/or mathematical models learned in the course. Problem sets and exams are designed to assess the fulfillment of the objectives.

PREREQUISITES: ECON 200 AND 201, (Principles of micro and macroeconomics) or equivalent, not to be taken concurrently. The appendix to chapter 1 of Mishkin reviews a few concepts that I expect you to know, such as the definition of inflation etc…, read this if you are rusty.

COURSE MATERIALS:

• **Learning Catalytics**: This is a "bring your own device" student engagement, assessment and classroom intelligence system. Your instructor will ask a question during class and you will respond with your mobile device (smartphone, tablet or laptop). Please see the last page of this syllabus for more information about gaining access to Learning Catalytics. **YOU MUST BRING ONE OF THESE DEVICES TO EACH CLASS.**

• **Course Web Site**: ([www.elms.emd.edu](http://www.elms.emd.edu)) All course materials (lecture slides, MyEconLab problem sets and quizzes and Learning Catalytics) can be accessed from your ELMS course website. Instructions on how to register for MyEconLab will be provided to you in the first day of class. Additionally, to register for Fall 2015 Econ330 SG91 MyEconLab you can also see “Video from Alicia about MyEconLab” on Elms. Check it often. **It is your responsibility to make sure that your contact information on Elms is current and that you check it often.**

• **Calculator**: You will need a calculator for exams. **YOU MAY ONLY USE A FOUR FUNCTION OR SCIENTIFIC CALCULATOR IN EXAMS, NO GRAPHING OR PROGRAMMABLE CALCULATORS WILL BE ALLOWED.** For example, a TI-30 type calculator is OK, but a TI-83 or TI-84 graphic calculator is NOT. If in doubt, please bring the calculator to me for approval the week before the exam.

• **Recommended**: I highly recommend that you read business periodicals like the Wall Street Journal, The Financial Times and The Economist on a regular basis. As a business major, you’ll need to be fluent in the language of business and these publications will help you acquire it and give you further insight into economic and business analysis. I may occasionally provide you with outside reading material, particularly if the news of the day is relevant to the course. There are links to student pricing options for major journals on Elms.

**EMAIL:** Please use only the email above to contact me about administrative matters. If you have a question regarding the material, please check the book or your notes. If that does not work, please visit me during office hours. **I will not answer email regarding last minute questions to problem sets or the night before quizzes or exams.**

**COURSE DESIGN**
This is a course to help you understand and analyze financial markets and their role in the macroeconomy. I have designed it so that you have a mixture of materials in addition to the weekly lecture to help you master the material. The following learning aids will be used in the course:

1) **MyEconLab**, where you will do homework problems to learn the material, review your personalized Study Plan to see where you need to do more work and get individualized feedback and take final chapter quizzes on the material.

2) **Learning Catalytics**, where you will respond to questions asked during class and receive instant feedback on your understanding of the material.

3) **Office Hours**, staffed by the TA and myself sometime where we will provide assistance in doing your MyEconLab problem sets and explain material that is not clear after lecture and self-study.
COURSE REQUIREMENTS AND EVALUATION:

GRADING:

<table>
<thead>
<tr>
<th>Event</th>
<th>Percentage</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm</td>
<td>25%</td>
<td>Friday October 23</td>
</tr>
<tr>
<td>Quizzes</td>
<td>20%</td>
<td>Sept. 25, Oct. 9, Nov. 13, Dec 4</td>
</tr>
<tr>
<td>Final</td>
<td>35%</td>
<td>Thursday December 17 8-10 am</td>
</tr>
<tr>
<td>MyEconLab Homeworks</td>
<td>10%</td>
<td>See dates in ELMS</td>
</tr>
<tr>
<td>Class Activities</td>
<td>10%</td>
<td>Every Friday during class</td>
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</table>

EXAMS
The midterm will be 2 hours long during class time on **Friday October 23, 2015**. The final exam will be during the regularly scheduled exam date set by the university and will be comprehensive, however it will be more heavily weighted toward the material covered towards the last part of the semester (after the midterm). Exams will be closed book.

EXAM POLICY
One midterm exam and one final are scheduled during the semester. If you miss an exam (or know that you have a conflict with the dates), you are required to complete the Request-for-excuse form and to provide a valid University excuse with its appropriate documentation supporting your explanation. If you do not provide compelling documentation, then you will receive a zero on the exam. It is your responsibility to contact me within 24 hrs. of the scheduled exam (if you miss it) to schedule a make-up exam. If I do not hear from you, then you will receive a zero. **Having more than one exam on the same day is not a valid excuse for a make-up exam. DO NOT ASK! Both the midterm and final are considered as “major scheduled grading events.”**

If the University is officially closed on the date an examination is scheduled, the exam will be held on the next class meeting date.

Exam grades will be curved if needed, and answers and grades will be posted in Elms. If you believe that I have added up points wrong or have otherwise made a mistake in grading, please submit a re-grade request in writing, outlining exactly what the issue is and what the nature of my supposed mistake may be. **You have 1 week after the exam to raise questions regarding the grade.** I will review the entire exam, with special attention to your request. Thus your grade may increase, remain unchanged, or decrease if I detect other errors at that time. “I deserve more points”, “this does not accurately reflect my knowledge of the material”, “I need a higher grade for such-and-such purpose” and so on are requests that I will neither listen to nor appreciate.

HOMEWORKS (MyEconLab)
Homeworks are designed to help you understand and master the concepts learned in class and prepare you for the exams and quizzes. There will be homeworks about once a week
for each chapter covered in the course. They will be posted on Elms through MyEconLab on Fridays and will be due a few days after. **Late Homeworks will not be accepted.**

**QUIZZES**  
There will be 4 in-class quizzes during the semester at the predetermined dates shown above. **Please make sure you attend class that day with a web enabled device** that is functioning and has Learning Catalytics and MyEconLab enabled on it. The quizzes will be during class time for 45 minutes. There will be NO MAKE UPS for quizzes, since they are NOT a major graded event, please clear your schedule to make sure you attend class the days scheduled for quizzes. If you are unable to take a particular quiz due to an excused absence, you must contact me and provide documentation (within a week) **before** we can figure out how your grade will be calculated.

**CLASS ACTIVITIES**  
Each class I will have two periods properly spaced apart where I will ask you questions that you will be required to answer using your mobile device through Learning Catalytics. Grades for these activities will be based on 90% of the possible points in each category. Grading will be based mostly on participation. Class activities cannot be made-up if you miss the class where they occur. Missing one class will have a very small impact on your grade, whereas regularly skipping class will inevitably lower your grade. If you are unable to participate in class activities for more than three (3) classes due to an excused absence, you must contact me and provide documentation **before** we can figure out how your grade will be calculated.

**LECTURES**  
Class attendance is very important and the **only** way you can participate in the class activities mentioned above that count for 10% of your final grade. I expect you to come to class and remain in class for the duration of the class period. The material I post on Elms is meant to help you prepare for class not as a substitute. You are responsible for all material delivered in lecture and it is considered “fair game” for exams plus the indicated sections of the readings. It is your responsibility to obtain notes from the lectures you miss. Furthermore, there is a very strong correlation between class attendance and grades.

**GRADES**  
Grades will be posted throughout the semester, homeworks and class activities grades will be posted within a week and exam and quiz grades will be posted as soon as possible but no later than 2 weeks after the evaluation. Mistakes do occur and it is the student’s **responsibility** to tell me and the TA immediately if there is a problem with your posted grade, but **NO LATER than 2 weeks** after the grade is posted. If you contact me or the TA at the end of the semester for missing grades, those grades will **NOT** be adjusted.

**ACADEMIC INTEGRITY**  
The University of Maryland, CP has a Code of Academic Integrity. As a student you are responsible for upholding these standards for this course. It is very important for you to
be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For 
more information, please visit http://www.shc.umd.edu. 
All acts of academic dishonesty will be dealt with in accordance with the provisions of 
this code.

**SPECIAL NEEDS AND DSS**
The University has a Center for Academic Success, which provides various disability and 
counseling services to support students. In order to receive any special consideration for 
a disability you MUST present a letter from them as soon as possible, but no later than 
the second week of class. You should also inform me in advance of any intended 
absences for religious observances or absences due to athletics or university activities. 
Please see http://shadygrove.umd.edu/campus-services/cas or call (301)738-6315.

**INCLEMENT WEATHER POLICY**
In case of inclement weather, check the University of Maryland homepage or call (301) 
405-SNOW to check on cancellation status. If classes are cancelled, schedules will be 
adjusted accordingly. It is very unlikely that exam dates will be changed from the dates 
stated in the syllabus. Material covered on exams might be adjusted if needed.

**APPROXIMATE COURSE SCHEDULE**

Please notify me the first week of class if you will be absent because of a religious 
holiday.

I. **Financial Markets, Interest Rates and Risk**

<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE</th>
<th>ACTIVITY</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>9/4</td>
<td>Course overview intro to MyEconLab and Learning Catalytics. Introduction to the Financial System Ch. 1, 2</td>
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<tr>
<td>2</td>
<td>9/11</td>
<td>Overview and Economic Analysis of Financial System. Ch. 2 &amp; Ch. 8</td>
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<tr>
<td>3</td>
<td>9/18</td>
<td><strong>CLASS TIME CHANGED 8-10:30 AM (DUE TO CAREER FAIR)</strong> Analysis of Financial System cont. Ch.8 and Money Ch. 3</td>
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<tr>
<td>4</td>
<td>9/25</td>
<td><strong>Quiz #1 9:40-11:25 am (covers Ch 1-2 and Ch 8)</strong> Lecture 11:35-12:20 pm: Understanding Interest Rates Ch. 4</td>
</tr>
<tr>
<td>5</td>
<td>10/2</td>
<td>Understanding Interest Rates Ch. 4 &amp; Ch.5</td>
</tr>
<tr>
<td>6</td>
<td>10/9</td>
<td><strong>Quiz #2 9:40-11:25 am</strong> (covers Ch 3 &amp; 4) Lecture 11:35-12:20 pm: Interest rates cont. - Ch. 5</td>
</tr>
</tbody>
</table>
II. Financial Market Structure and Commercial Banking
WEEK 7 (10/16) Term Structure of interest rates- Ch 6
WEEK 8 (10/23) MIDTERM EXAM - Chapters 1-6 and Ch 8
WEEK 9 (10/30) Banking Management Ch 9
Financial Regulation- Ch. 10
WEEK 10 (11/6) Finish Ch.10, Banking Structure Ch.11 pg. 234-248 only
Financial Crises Ch. 12
WEEK 11: (11/13) Quiz #3 9:40-11:25 am (covers Ch. 9 & Ch.10 )
Lecture 11:35-12:20 pm: Central Banking Ch.16

III. Central Banking and Monetary Policy
WEEK 12 (11/20) Finish The Federal Reserve System Ch. 16
The Money Supply Process Ch.17
WEEK 13 (11/27) THANKSGIVING HOLIDAY NO CLASS
WEEK 14 (12/4) Quiz #4 9:40-11:25 am (covers Ch.12 & Ch.16)
Lecture 11:35-12:20 pm: Finish Ch. 17
WEEK 15 (12/11) Tools of Monetary Policy- Ch. 18

FINAL EXAM THURSDAY DECEMBER 17,2015 8-10 AM
ABSOLUTELY NO CHANGES TO EXAM DATES; PLEASE PLAN ACCORDINGLY!
ECON 330 TEXTBOOK OPTIONS

Please note that the required components you must have for this course is MyEconLab access and Learning Catalytics.

Below are the options for purchasing MyEconLab and Learning Catalytics. MyEconlab for Mishkin: Money, Banking and Financial Institutions: Business School Edition: 4th edition. You will be required to have access to MyEconLab throughout the course for assignments and additional study resources.

Below I have outlined your purchasing options for MyEconLab.

**1. Purchase MyEconLab with ebook for $105.00 directly**

Make purchase from within your course in ELMS

*See the registration handout

- Learning Catalytics access included
- Access is for 6months
- You can download the ebook to use off line (on desktop or tablet)
- The app for your tablet is “Pearson Etext” for free

**2. Purchase MyEconLab without ebook for $60 directly**

Make purchase from within your course in ELMS *See the registration handout

- Access is for 6 month
- You will receive access to all features and resources **except**: Learning catalytics and the ebook

*See steps below for how to purchase access just for Learning Catalytics*

**1. Once enrolled into your MyEconlab course Purchase a 3-hole punched loose leaf textbook for $55**

- The 3-hole punched print book takes 3-5 business days to ship to you
- It is two separate purchases; first register and pay for access into the course and then once in the course click on Course Home then Purchase Options to then buy the discounted print book.
If you choose to purchase the access for MyEconlab without etext for $60, **YOU MUST** also purchase access for Learning Catalytics for $12 for 6 month access.

To purchase access for Learning Catalytics: Enter your Canvas course after having already paid and registered for myeconlab and click on the Mylab and Mastering link to enter your Myeconlab course. From the course home in your myeconlab course Click on Learning Catalytics under the **In Class Learning** box. Then follow the prompted steps to purchase access.

**The bookstore is selling both a package of the print book with access card and the items separately.** *be aware of what you pick up off the shelf to purchase*

NOTE: Please be cautious if you decide to purchase from Amazon or Chepp, etc… sites for their prices change daily and the publisher cannot be responsible if you receive a defective access code or book.

If you have any questions, please feel free to contact Alicia Barnes at the email address: alicia.barnes@pearson.com. Be sure to provide your course info and instructor name along with a description of what she can help with.
**Steps to register for MyEconLab:**

**Get Registered**

1. From your Canvas Course Home Page, click on a link to **MyLab & Mastering**.

2. **Accept** the End-User License Agreement and Privacy Policy.

3. **Sign In** with your Pearson username and password. If you’ve forgotten them, use "forgot username/password" link to retrieve them. If you don't have a Pearson account, create a new Pearson username/password.

(NOTE: You CANNOT connect your Canvas username/password to more than one Pearson username/password. You **MUST** retrieve your old Pearson login credentials.)

**MAKE SURE TO USE YOUR LEGAL UMD NAME WHEN YOU REGISTER FOR MyEconLab.** If you have already registered and have a Pearson username/password, make sure to add your student ID to the registration as well. We need to be able to locate you when recording grades and your legal name and/or student ID is required.

4. On the next page, click the **Access Code** button if you purchased a package with an access code from the bookstore, **OR** purchase instant access now by clicking on the purchase options under the **Use a Credit Card or PayPal** section. You can also register with temporary access if you do not have payment handy.

5. **You have now registered!** You can close the “congratulations” tab and return to your Canvas course. This process only needs to be completed once. From now on when you click on any of the MyLab & Mastering links in your Canvas course your MyLab will immediately open.

6. **Trouble?** In your Canvas course click Mylab & Mastering in the course navigation and then click **Diagnostics** at the top of the Pearson page. Please copy and paste this information in your email and you can contact Alicia.Barnes@pearson.com explaining the issue you are experiencing.