

MONEY & BANKING
ECONOMICS 3200-002 & 320-002
Fall 2011
Class: BEH S 110; Tuesday: 6:00-9:00 PM

Instructor: Mahfuz Raihan
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Prerequisites:

Introductory Micro and Macro Economics (ECON 2010 and 2020 or equivalents) & college Algebra

Text Book:

“Money, Banking and the Financial System” by R. Glenn Hubbard and Anthony P. O’Brien, First edition, ISBN 13# 978-0-13-255346-9

WebCT/Blackboard:

WebCT will be used for distributing course materials, references, communications and notifying grades. The webpage is <https://webct.utah.edu>. Students are required to maintain an active E-mail address and following the updates on the course site.

Course Objectives:

This course will examine the monetary and financial instruments, institutions and markets from the perspectives of theory, practice and policy, and will focus on history and evolution of the monetary and financial system, the modern financial system and banking money and finance in macroeconomic theory, and the conduct of monetary policy.

Grading:

Examinations	Date	Weight
Midterm Exam-1	October 4	30%
Midterm Exam-2	November 8	30%
Final Exam	December 13	40%
Total		100%

For assignment of letter grades, instructor shall consider the overall performance of the class.

Syllabus and class Schedule:

Introduction-

(1) Introducing Financial System, Money and Payment System;

Hubbard and O'Brien: Ch-1, 2. August 23

Determination and Structure of Interest Rate -

(2) Interest Rate and Rates of Return; Hubbard and O'Brien: Ch-3. August 30

(3) Interest Rate Determination; Hubbard and O'Brien: Ch-4. September 6 & 13

(4) The Risk Structure and Term Structure of Interest Rate; Hubbard and O'Brien:
Ch-5. September 20 & 27

First Midterm Examination- Duration Maximum 1 hour: October 4.

Financial Markets and Institutions-

(5) The Stock Market and its Efficiency, Hubbard and O'Brien: Ch-6. October 4

Fall Break: October 10-15

(6) The Market for Foreign Exchange, Hubbard and O'Brien: Ch-8. October 18

(7) Economic Analysis of Financial Structure; Hubbard and O'Brien: Ch-9. October 25

(8) The Economics of Banking; Hubbard and O'Brien: Ch-10. November 1

Second Midterm Examination- Duration Maximum 1 hour: November 8.

Central Banking and Conduct of Monetary Policy-

(9) The Federal Reserve and Money Supply Process; Hubbard and O'Brien:Ch-13,14.
November 8 & 15

(10) Monetary Policy and Targeting; Hubbard and O'Brien: Ch-15. November15 & 22

Thanks Giving Break: November 24-25

Monetary Theory-

(11) Money demand and Quantity Theory; Hand out. November 29

(12) Monetary Theory I: AS-AD Model; Hubbard and O'Brien: Ch-17. November 29

(13) Monetary Theory II: IS-LM Model; Hubbard and O'Brien: Ch-18. December 6

Final Examination- Duration Maximum 2 hours, December 13

Policy:

- Make up Examination will be allowed only for valid medical reasons, supported by proper documents.
- Incomplete grade will be given only for valid medical reasons, supported by proper documents. According to university regulations, you must be passing the class at the time you get an incomplete.
- ADA Statement: The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations

Finally, the Instructor reserves the right to make changes in this syllabus as the need arises during the semester.