

MONEY & BANKING
ECONOMICS 3200-001
FALL 2013
Class: WEB L 105; M,W: 11:50 AM-1:10 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, ISBN-10: 0132553457, Publisher: Prentice Hall

Course Objectives:

This course will examine the monetary and financial instruments, instructions 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 Distribution:

Attendance and Participation		10%
Home work		20%
Midterm Exam-1		20%
Midterm Exam-2		20%
Final Exam		30%
Total		100%

Make up Examinations for Midterm and Final will be allowed only for valid medical reasons, supported by proper documents.

Letter Grade Assignment:

A ≥ 90%, 90% > A- ≥ 85%, 85% > B+ ≥ 80%, 80% > B ≥ 75%, 75% > B- ≥ 70%, 70% > C+ ≥ 65%, 65% > C ≥ 60%, 60% > C- ≥ 55%, 55% > D ≥ 50%, 50% > E

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.

Syllabus and class Schedule:

Introduction-

(1) Introducing Financial System, Money and Payment System;
Hubbard and O'Brien: Ch-1, 2

Determination and Structure of Interest Rate -

- (2) Interest Rate and Rates of Return; Hubbard and O'Brien: Ch-3.
- (3) Interest Rate Determination; Hubbard and O'Brien: Ch-4.
- (4) The Risk Structure and Term Structure of Interest Rate; Hubbard and O'Brien: Ch-5.

First Midterm Examination- Duration Maximum 1 hour:

Financial Markets and Institutions-

- (5) The Stock Market and its Efficiency, Hubbard and O'Brien: Ch-6.
- (6) The Market for Foreign Exchange, Hubbard and O'Brien: Ch-8.
- (7) Economic Analysis of Financial Structure; Hubbard and O'Brien: Ch-9.
- (8) The Economics of Banking; Hubbard and O'Brien: Ch-10.

Second Midterm Examination- Duration Maximum 1 hour:

Central Banking and Conduct of Monetary Policy-

- (9) The Federal Reserve and Money Supply Process; Hubbard and O'Brien: Ch-13, 14.
- (10) Monetary Policy and Targeting; Hubbard and O'Brien: Ch-15

Monetary Theory-

- (11) Money demand and Quantity Theory; Hand out.
- (12) Monetary Theory I: AS-AD Model; Hubbard and O'Brien: Ch-17.

Final Examination- Duration Maximum 2 hours

Policy:

- Internet browsing during class hour will be penalized by cutting 5% points for each violation but maximum 10% from class attendance.
- 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.