

MORAVIAN COLLEGE
DEPARTMENT OF ECONOMICS & BUSINESS
ECONOMICS 220: MONEY, BANKING & FINANCIAL POLICY
COURSE SYLLABUS – SPRING 2016

Instructor: Miles D. Berkow, Adjunct Profesor

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Office Hours: Monday 2:45 – 3:45

Text: Required

M & B³By Dean Croushore, Cengage Learning

Additional Items Posted in Blackboard

Course Description: Economics 220. Money, Banking, and Financial Policy. History and theory of money, banking and financial markets: commercial banking and bank management; money and capital markets; financial innovation and regulation. Central banking, monetary theory and policy and international monetary issues are covered. A critical examination of current monetary and regulatory policies to maintain economic stability, economic growth, and other goals. Prerequisite: Economics 152

Course Objectives: The purpose of this course is to provide you with a comprehensive introduction to the field of Money, Banking, and Financial Markets and Policy. Financial events dominate today's business news and a clear understanding of the organization of financial markets and institutions is essential to all citizens and especially business and political decision makers. It is my objective to help you gain that understanding and to develop a lasting interest in the subject of financial economics. In addition to the material discussed in the text, the quickly changing financial environment will be monitored during the semester by using the Wall Street Journal and other financial periodicals. Specifically students will:

- Understand the function and evolution of money and payments system

- Understand the role of financial markets and institutions including the important role of financial intermediaries.
- Understand and apply economic analysis surrounding security prices and interest rate determination.
- Gain an appreciation of the role of central banks esp. the Federal Reserve System.
- Understand the process by which the Fed devises and implements monetary policy
- Utilize macroeconomic models to show the impact of money policy on macro variables
- To become familiar with the international financial system, including an historical perspective, operation of markets, the evolution of institutions
- To apply tools of analysis to study historical and current problems including early bank panics, the Great Depression, Stagflation, the market crashes, especially the Crash of 2008 and the 'Great Recession' as well as financial issues the contemporary global economy.

Grading and Assessment:

Point System with 220 Maximum Points

Your grade will be based upon the following:

A \geq 180 Points

B+ = 166 – 179 Points

4 Pop Quizzes worth 10 points each

B = 147 – 165 Points

3 Examinations worth 60 points each

C+ = 133 – 146 Points

C = 116 – 132 Points

D = 90 – 115 Points

F < 90 Points

Students are expected to read the scheduled chapters before coming to class. Additional readings will be distributed in class or placed on reserve in the library. Leaving and re-entering class, while sometime necessary, should not become routine. It is disruptive and discouraged. Cell phones are to be silenced, turned off and out of sight during class and may not be used for exams. You may bring a

calculator but it cannot have the capability of communicating outside of the room or another device inside the room.. Academic Honesty Policies of the University are followed as outline in the student handbook. Drinks but no food allowed in class. Thank you.

Notice: "Students who wish to request accommodations in this class for a disability should contact the Academic Support Center, located in the lower level of Monocacy Hall, or by calling [610-861-1401](tel:610-861-1401) or emailing disabilitysupport@moravian.edu. Accommodations cannot be provided until authorization is received from the Academic Support Center."

Econ 220: MONEY, BANKING & FINANCIAL POLICY Course Outline

Note: All dates listed are approximations. Chapters studied may vary from the schedule.

Week 1: Jan 18

Introduction to Money and Banking Chapter 1

The Financial System and the Economy Chapter 2

Week 2: Jan 25

Money and Payments Chapter 3

Present Value Chapter 4

Week 3: Feb 1

Present Value Continued

The Structure of Interest Rates Chapter 5

Week 4: Feb 8

Real Interest Rates Chapter 6

Week 5: Feb 15

Stocks and Other Assets Chapter 7

Week 6: Feb22

2/22 **Exam #1 Chapters 1 - 7**

2/24 How Banks Work Chapter 8

Week 7: Feb 29

Government's Role in Banking Chapter 9

Economic Growth and Business Cycles Chapter 10

Week 8: Mar 7

SPRING BREAK

Week 9: Mar 14

Modeling Money Chapter 11

The AD-AS Model Chapter 12

Week 10: Mar 21

3/21 The AD-AS Model Chapter 12 (Continued)

3/23 Review

Week 11: Mar 28

3/28 EXAM #2 Chapters 8 - 12

3/30 Economic Interdependence Chapter 14

Week 12: Apr 4

The Federal Reserve System Chapter 15

Week 13: Apr 11

Monetary Control Chapter 16

Week 14: Apr 18

Monetary Policy: Goals and Tradeoffs Chapter 17

Week 15: Apr 25

Rules for Monetary Policy Chapter 18

Week 16: May 2

5/3 3:00 PM – 4:15 PM Exam #3 Chapters 14 – 18

This syllabus is subject to revision at any time during the semester. Revisions will be posted on Blackboard.