

MONEY and BANKING

Professor: **Josue Cox**

josue.cox@nyu.edu

CLASSES: M-Tu-W-Th, 12:30 - 2:00 PM.

OFFICE HOURS (Send email in advance): Monday, 2:15 - 3:00 PM (EDT)
Tuesday, 10:15 - 11:00 PM (EDT)

TEACHING ASSISTANT: Minu Philip (mp4951@nyu.edu)
Office Hours: F, 3:00 - 4:00 PM. (Send email in advance)

COURSE REQUIREMENTS:

First Midterm Examination (20%): TH June 4th.
Second Midterm Examination (20%): TH June 18th.
Final Examination - Cumulative (20%): TH July 2nd.
Problem Sets (40%):

Problem Set	Due Date (11:59 PM)
PS 1	Sunday, May 31 st
PS 2	Sunday, June 14 th
PS 3	Sunday, June 28 th

MAKE-UP EXAMINATIONS:

There will be no make-up exams.

A very rare exception may be made for serious and legitimate circumstances. Being unprepared or having overslept do not qualify. IF scheduled, make-ups will be set at a higher difficulty level than the regular scheduled examinations.

REQUIRED TEXT:

Mishkin, Frederic S. 2018, *The economics of money, banking and financial markets*, 12th edition, Pearson, 2018 (M).

To register for Summer 2020: ECON-UA 231 - Money & Banking:

1. Go to www.pearson.com/mylab.
2. Under Register, select **Student**.

3. Confirm you have the information needed, then select **OK! Register now.**
4. Enter your instructor's course ID: **cox11521** and **Continue.**
5. Enter your existing Pearson account **username** and **password** to **Sign In.**
 - a. You have an account if you have ever used a MyLab or Mastering product.
 - b. If you don't have an account, select **Create** and complete the required fields.
6. Select an access option.
 - a. Enter the access code that came with your textbook or that you purchased separately from the bookstore.
 - b. If available for your course
 - i. Buy access using a credit card or PayPal.
 - ii. Get temporary access.

If you're taking another semester of a course, you skip this step.
7. From the You're Done! page, select **Go To My Courses.**
8. On the My Courses page, select the course name **Summer 2020: ECON-UA 231 -Money & Banking** to start your work.

GRADING:

The final numerical grade will be calculated as the weighted average of the various examinations' and problem sets' scores. The equivalent letter grade will then be determined based on the following distribution.

Final Numerical Grade	Letter Grade
93 – 100	A
90 – 92	A–
87 – 89	B+
83 – 86	B
80 – 82	B–
77 – 79	C+
73 – 76	C
70 – 72	C–
67 – 69	D+
60 – 66	D
0 – 59	F

PREREQUISITES:

ECON-UA 1 (Introduction to Macroeconomics)

ECON-UA 2 (Introduction to Microeconomics)

Students are assumed to know the basic principles of algebra and calculus.

INFORMATION REGARDING THE COVID-19 SITUATION:

Lectures:

- Class attendance is highly recommended. However, given the results of the Survey to note Student Time-Zone, we know that many students will not be in New York during the summer.
- Lectures will be recorded and made available through NYU Classes.

Problem Sets:

Deadlines for problem sets are system automated to EDT and **will be the same for all students**. Each student should be aware of this when submitting each problem set.

Midterms & Final Exam:

Given that students will be taking exams from different time zones, there **will be two time slots for each exam**. These are the **ONLY dates and times at which students can take the exam**. The two slots (in terms of EDT) are as follows:

	Slot 1		Slot 2	
	Day	Time	Day	Time
First Midterm Exam	4-Jun	12:30 - 2:00 PM (EDT)	4-Jun	10:30 PM - 12:00 AM (EDT)
Second Midterm Exam	18-Jun	12:30 - 2:00 PM (EDT)	18-Jun	10:30 PM - 12:00 AM (EDT)
Final Exam	2-Jul	12:30 - 2:00 PM (EDT)	2-Jul	10:30 PM - 12:00 AM (EDT)

In terms of the time zones identified in the survey, two offered time slots translate to following specific times in the local time zones (Note that **(+1)** is one day after the exam date).

Time Zone	Slot 1	Slot 2
Central Daylight Time	11:30 AM - 1:00 PM	9:30 - 11:00 PM
China Standard Time	12:30 - 2:00 AM (+1)	10:30 AM - 12:00 PM (+1)
Eastern Daylight Time	12:30 - 2:00 PM	10:30 PM - 12:00 AM
Mountain Daylight Time	10:30 AM - 12:00 PM	8:30 - 10:00 PM
Pacific Daylight Time	9:30 AM - 11:00 AM	7:30 - 9:00 PM

For example, for those taking the First Midterm from Mountain Daylight Time (MDT) zone,

Slot 1: 4th June, 10:30AM - 12:00PM (local time)

Slot 2: 4th June, 8:30PM - 10:00PM (local time)

LECTURE DATES AND READING ASSIGNMENTS:

Dates	Day	Topics	Book Chapters
26-May	Tuesday	Introduction. Why do we study money, banking, and financial markets?	1
27-May	Wednesday	An Overview of the Financial System. What Is Money?	2-3
28-May	Thursday	The Meaning of Interest Rates	4
31-May	Sunday	Problem-set 1 due date	
1-Jun	Monday	The Behavior of Interest Rates	5
2-Jun	Tuesday	The Risk and Term Structure of Interest Rates	6
3-Jun	Wednesday	Banking and the Management of Financial Institutions	9
4-Jun	Thursday	FIRST MIDTERM EXAMINATION (30%)	
8-Jun	Monday	Economic Analysis of Financial Regulation	10
9-Jun	Tuesday	Banking Industry: Structure and Competition	11
10-Jun	Wednesday	Financial Crises	12
11-Jun	Thursday	Central Banks and the Federal Reserve System	13
14-Jun	Sunday	Problem-set 2 due date	
15-Jun	Monday	The Money Supply Process	14
16-Jun	Tuesday	Tools of Monetary Policy: Part I	15
17-Jun	Wednesday	Tools of Monetary Policy: Part II	15
18-Jun	Thursday	SECOND MIDTERM EXAMINATION (30%)	
22-Jun	Monday	The Conduct of Monetary Policy: Strategy and Tactics	16
23-Jun	Tuesday	The Foreign Exchange Market. Interest Parity.	17
24-Jun	Wednesday	The International Financial System	18

25-Jun	Thursday	Quantity Theory, Inflation, and the Demand for Money	19
28-Jun	Sunday	Problem-set 3 due date	
29-Jun	Monday	The IS curve and Aggregate Demand Curve	20-21
30-Jun	Tuesday	Aggregate Demand and Supply Analysis	22
1-Jul	Wednesday	Monetary Theory Analysis	23
2-Jul	Thursday	FINAL EXAMINATION - CUMULATIVE (20%)	