

EC370: Money and Banking

Xiang LI

Spring 2020

E-mail: xli4@uoregon.edu

Office Hours: TR 10:00-11:00am, PDT

Virtual Office: Zoom

Course Web: canvas.uoregon.edu

Class Hours: -

Classroom: -

Course Description

In this class we will study financial markets, financial instruments, and financial institutions. Along with these topics, we will discuss the determinants of market interest rates. We will also study money, the structure and role of central banks, and the conduct of monetary policy. This course aims to help you to understand better the role money, banks, and financial markets play in the economy, and to think about policy issues in a more informed way.

How to Take Class Remotely

This course will be delivered remotely as per the university's Academic Continuity Plan. While we are operating under remote instruction, Canvas will be our main resource and method of communication. **I will upload lecture slides to Canvas along with pre-recorded lectures by 8:30am, PDT, Monday and Wednesday. You may watch the lectures at any time that is convenient for you but I suggest that you watch them on the days that face-to-face class would be taking place.** You are responsible for all of the material in the slides and recorded lectures.

Problem sets will be posted to Canvas and you will submit your work on Canvas. Midterm and the final exams will be administered through Canvas. Information about problem sets and exams will be conveyed via Canvas as we get closer to the time.

Office hours will be held on **Zoom, on Tuesday and Thursday, 10:00-11:00am, PDT**. I will make an announcement on Canvas with a link to join the meeting before it starts. Course requirements, deadlines, and grading percentages are subject to change. Information about changes in this course will be communicated as soon as possible on Canvas. **Students should refer to Canvas, read any announcements, and access assignments.**

Prerequisites

It is required that you have already taken EC 202 before taking this course. This course presumes proficiency in basic math skills, including algebra and analytic geometry (i.e., graphs); as such, having taken EC 313 or a similar course is recommended.

Textbook

The textbook for this course is The Economics of Money, Banking, and Financial Markets, written by Frederic S. Mishkin. I will be using the 12th edition, but old editions are fine. We will not be using MyEconLab, so do not purchase a copy of the book with this included.

Chapters Tentative To Be Covered

- Chapter 1: Why Study Money, Banking, and Financial Markets
- Chapter 2: An Overview of the Financial System
- Chapter 3: What is money
- Chapter 4: The Meaning of Interest Rates
- Chapter 5: The Behavior of Interest Rates
- Chapter 6: The Risk and Term Structure of Interest Rate
- Chapter 9: Banking and the Management of Financial Institutions
- Chapter 14: The Money Supply Process
- Chapter 15: Tools of Monetary Policy
- Chapter 19: Quantity Theory, Inflation, and the Demand for Money

Evaluation

- | | |
|-------------------------------------------------------------|----------------|
| • 10 Participation | 10% (1% each) |
| • 5 Problem Sets | 20% (4% each) |
| • 2 Midterm | 40% (20% each) |
| • 1 Final | 30% |
| • Extra credit assignments might be given during the course | |

Participation

We will practice 10 short exercises during lectures. The exercise sheet will be uploaded on Canvas before the lecture starts. Although I will go through problems and talk about how I am approaching the problem in the video, you are required to write down your answers on the sheet and submit it on Canvas.

The first participation exercise is due by 11:59pm on Sunday of week 1. The rest participation exercises are all **due by 11:59pm on Sunday on Week 10**. However, you are encouraged to complete it and submit it during the entire duration of lectures. All of 10 exercise will be graded **for completion**.

Problem Sets, Midterm and Final Exams

The first midterm will tentatively test the materials that we will cover in chapter 1, 2, 3, 4, 5. The second midterm will tentatively test the materials that we will cover in chapter 6, 9. The final exam will be more heavily weighted toward the materials that we will cover in chapter 4, 5, 6, 9, 14, 15, 19.

Problem sets and exams will be posted on Canvas. You will submit your work on Canvas by **11:59 p.m., PDT** on the day that it is due. Keys will be posted to Canvas immediately after they are due, and therefore **no late submission** will be accepted. Information about problem sets and exams will be conveyed via Canvas as we get closer to the time.

Updated on May 5, 2020: For Problem Set #3, #4, #5, Midterm #2 and Final exam, submissions within 5 calendar days of the due date is accepted with a 70% penalty rate (for example, a submission with 100 points score will receive 70 points). Submissions will not be accepted 5 days past due date and answer key will be posted.

Make sure what you upload on Canvas **can be recognized by our grader**. That is to say, it is your responsibility to:

- write legibly and take a high quality scan of your responses (an easy option is downloading a free scanning app)
- compile all pages into one pdf
- and upload only one pdf document to Canvas

Points will be deducted if submissions do NOT follow the above instructions.

The objective of the written problem sets is to practice questions similar to what may appear on an exam that requires algebraic, graphical and written solutions. All exams are **open book** and formula sheets will be provided. Information about administration of exams will be conveyed via Canvas as we get closer to the time. If a serious illness or emergency prevents you from completing an exam, contact me ASAP before the exam.

An unexcused absence from an exam will result in scoring a zero on that exam, with devastating effects on your course grade. An unexcused absence from the final exam will result in scoring a zero on that exam, and hence will likely result in a failing grade for the course. If you know that you will not be able to complete one of the exams, you should seriously reconsider taking this course this term. Please be aware that if you need a certain grade in the course, you will be expected to earn that grade. I will not provide additional assignments for extra credits or adjust grades following the final exam.

Pass/Not Pass Option

Given that the COVID-19 pandemic has shifted our university to a system of remote learning, the deadline to change grade-optional courses from graded to P/NP (pass/no pass) will be extended 30 days after the date that spring 2020 final grades are posted. That means all students will have until July 16, 2020, to decide whether to change to P/NP once they see their final grades. Students taking the course Pass/Not Pass are expected to do all of the course work and must take the final exam. P/NP students need to earn a C- or above for their overall grade to pass the course.

Re-grade Requests

If you notice an arithmetic mistake in totaling the number of points on problem sets or midterm, simply point this out to me as soon as possible, and the correction will be made. For any other reconsideration of a grade on your problem sets or midterm, you must submit a formal re-grade request explaining why you believe your answer(s) should be given more points. This request

must be made in writing and given to me no later than one week after the problem sets or midterm is returned. There will never be a re-grade for the final exam.

Course Announcements

I will use Canvas to send announcements to the course regularly. Be sure to check your Canvas or “@uoregon.edu” email account regularly so that you receive course-related information quickly and reliably.

University Policies and Expectations

Sexual Violence and Survivor Support

The UO is committed to providing an environment free of all forms of discrimination and sexual harassment, including sexual assault, domestic and dating violence and gender-based stalking. If you (or someone you know) has experienced or experiences gender-based violence (intimate partner violence, attempted or completed sexual assault, harassment, coercion, stalking, etc.), know that you are not alone. UO has staff members trained to support survivors in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, helping with legal protective orders, and more. Please be aware that all UO employees are required reporters. This means that if you tell me about a situation, I may have to report the information to my supervisor or the Office of Affirmative Action and Equal Opportunity. Although I have to report the situation, you will still have options about how your case will be handled, including whether or not you wish to pursue a formal complaint. Our goal is to make sure you are aware of the range of options available to you and have access to the resources you need. If you wish to speak to someone confidentially, you can call 541-346-SAFE, UO’s 24-hour hotline, to be connected to a confidential counselor to discuss your options. You can also visit the SAFE website at safe.uoregon.edu.

Diversity

The University of Oregon is dedicated to the principles of equal opportunity and freedom from unfair discrimination for all members of the university community and an acceptance of true diversity as an affirmation of individual identity within a welcoming community. This course is committed to upholding these principles by encouraging the exploration, engagement, and expression of distinct perspectives and diverse identities. All of us associated with the course—you included—are expected to value each class member’s experiences and contributions and to communicate disagreements respectfully. Please notify me if you feel aspects of the course undermine these principles in any way. You may also notify the Department of Economics at 541-346-8845. For additional assistance and resources, you are also encouraged to contact the following campus services: - Office of Equity and Inclusion: 1 Johnson Hall | 541-346-3175 | oied.uoregon.edu - Center on Diversity and Community: 54 Susan Campbell Hall | 541-346-3212 | codac.uoregon.edu - Bias Response Team: 164 Oregon Hall | 541-346-1134 | brt@uoregon.edu | bias.uoregon.edu

Academic Integrity

The University Student Conduct Code (available at conduct.uoregon.edu) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. By way of example, students should not give or receive (or attempt to give or receive) unauthorized help on assignments or examinations without explicit permission from the instructor. Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas). If there is any question about whether a particular activity constitutes academic misconduct, it is the student's obligation to clarify the matter with the instructor before engaging in or attempting to engage in the activity. Please contact me with any questions you have about academic misconduct. Additional information about maintaining your academic integrity is available at integrity.uoregon.edu.
—from the Office of the Dean of Students

Accessibility and Special Accommodations

The University of Oregon is working to create inclusive learning environments. Please notify me if there are any aspects of this course that result in disability-related barriers to your participation. For more information or assistance, contact the Accessible Education Center: 164 Oregon Hall | 541-346-1155 | aec.uoregon.edu. If you require special accommodations of any kind due to a documented disability you will need to provide a letter from the Accessible Education Center verifying your need and detailing the appropriate accommodations. So that I can plan for any necessary accommodations please get this letter to me by the end of the first week of classes.

If your accommodations involve any proctoring of exams at the AEC you will be responsible for scheduling those exams with sufficient anticipation with the AEC. Keep in mind that proctored midterms need to be scheduled at least seven days in advance and that proctored final exams need to be scheduled by the 5:00pm of the Friday of week 8 of the course.

Inclement Weather and Class Cancellations

In the event of inclement weather, the UO home webpage (www.uoregon.edu) will include a banner at the top of the page displaying information about delay or closure decisions for the Eugene campus. Local television, radio, and print media will be notified as well. In the event of a class cancellation an announcement will be sent via Canvas to all students.