



Econ 3200: Money & Banking

Spring Semester 2025

MW, 1:25 PM – 2:45 PM; BEH S 102

Instructor: Patrick Hallan

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Student Office Hours: Mondays
and Wednesdays 3:00-4:30 pm or
by appointment

Meeting Location: Gardner of Commons, Suite 4100

Course Description

This course provides an analysis of monetary theory, institutions and policy including the nature, role and significance of money, financial markets and institutions, commercial banking and the money supply process, the Federal Reserve System, and the formulation and implementation of monetary policy, monetary theory and related policy issues.

The first section of this class focuses on financial instruments and markets. The second section concentrates on financial institutions and policy, especially the theory and politics of central banking and financial regulation.

By the end of this course, you will be:

- more comfortable reading the financial press;
- understand key developments in the US monetary institutions;
- able to better understand the key debates around financial regulation and monetary policy in the United States, including the role of the Fed in regulating and stabilizing the financial markets and the Fed independence;

Teaching and Learning Methods

This class consists of expository lectures that will take most of the time in class. The content will closely follow the textbook, with the exception of the sections that will cover alternative materials. Slides will be made available for every session.

On top of lectures, there will be quizzes and small group discussions. You are expected to ask lots of questions, be prepared to contribute to regular small group discussions and summarize your conversations for the rest of the class. Most importantly, share what you know! We can all learn a lot from one another.

Required Materials

Cecchetti, Stephen G., and Kermit L. Schoenholtz. 2024. *Money, Banking and Financial Markets*. 7th Edition. New York: McGraw Hill.

Grading Policy

Item	Percentage of Grade	Date
In-class assignments	10% (extra credit)	
Presentations + paper	15%	Presentation Calendar
Research Analyst Report (3)	20%	02/9, 03/9, 04/13
Midterm Exam	25%	03/05
Final Exam	40%	04/28

In-class assignments (10% extra credit)

At the beginning of each class, students will answer 2 or 3 review questions, either individually or in small groups. These questions are designed with the intent to offer a chance for students to practice the content. Students may answer questions individually or in small groups.

Podcast Presentations (15%)

At the end of classes, groups of 2 students will briefly present a podcast on a topic related to the content of the class.

Each group will pick a podcast to present in class and write a short essay on. Presentations will last 8-10 minutes and the use of slides is strongly encouraged. Following the presentation will be a 1-page essay. Essays will be **hand-written** and submitted on canvas. The due date for the essay is April 28, but you are free to write and submit as soon as you present. Each group (of 2 students) will submit a one-page essay summarizing the content of the podcast.

Monthly Research Analyst Report (20%)

You will pick four financial instruments—a publicly-traded stock, bond, derivative and foreign currency—and analyze the trajectories of their prices over the course of the semester. At the end of each month, you will write a short description describing how each of the four instruments has performed, what you think explains price movements, and

conclude with a recommendation for investors (buy, sell or hold). Your submissions must be less than 1,000 words and include a chart for each security.

Exams (65%)

There will be two exams. The midterm exam is worth 25% of the final grade and covers chapters 1 to 10 of the textbook and the final exam is worth 40% of the final grade and covers 2nd half of class (but content from the whole class will be implicitly incorporated). The content is cumulative. Before each exam there will be an in-class consolidation quizzes, which students are encouraged to take.

Course Schedule

Week	Topic	Read	Listen & Watch
1 (01/06, 01/08)	Introduction	Ch 1	
2 (01/13, 01/15)	Payments System	Ch 2	Where Dollar Bills Come From When Bricks Were Rubles The Birth of the Dollar Bill
3 (01/22)	Financial Instruments	Ch 3	
4 (01/27, 01/29)	Present Value & Risk	Ch 4-5	Summer School 3: Smooth Spending & The 401(k)
5 (02/03, 02/05)	Bond Markets	Ch 6-7	Summer School 4: Bonds & Becky with the Good Yield We Buy a Junk Bond
6 (02/10, 02/12)	Stock Markets	Ch 8	Summer School 1: The Stock Market Summer School 2: Index Funds & the Bet \$100 Million Deli (Stock Markets) Boring vs. Brilliant (Index Funds) Can't Stop GameStop Dumb Money (2023)
7 (02/19, 02/24)	Derivatives	Ch 9	That Time We Shorted America Part One That Time We Shorted America Part Two

8 (02/26, 03/03)	Foreign Exchange Markets	Ch 10	The High Cost of a Strong Dollar
9 (03/05)	Midterm Exam	Covers chapters 1-10	
10 (03/9-03/16)	Spring Break		
11 (03/17, 03/19)	Financial Intermediation	Ch 11, Varoufakis Ch 4 "The Black Magic of Banking"	It's a Wonderful Life (1946) Movie Club: It's a Wonderful Life
12 (03/24, 03/26)	Commercial Banks & Financial Industry Structure	Ch 12 - 13	Wall Street (1987) LIBOR Pains
13 (03/31)	Fraud	Kindleberger, Ch 5 "The Emergence of Swindles"	The Murderer, The Boy King, And The Invention Of Modern Finance Sam Bankman-Fried and the spectacular fall of his crypto empire, FTX Charles Ponzi's Scheme Wolf of Wall Street (2013)
14 (04/02)	Financial Industry Regulations & Bailouts	Ch 14	What is a Bubble? Your banking questions, answered Inside a Bank Run How Does the Federal Reserve's Discount Window Work? The Big Short (2015)
15 (04/07, 04/09)	Central Banks	Ch 15-16	Happy Fed Independence Day A Locked Door, a Secret Meeting and the Birth of the Fed

16 (04/14, 04/16)	Money Supply & Monetary Policy	Ch 17-18	How to Make \$3 Trillion Disappear Interest Rates...Why So Negative? The life and possible death of low interest rates Planet Money Summer School 7: The Fed & Volcker's Socks
17 (04/21)	Exchange Rate Policy	Ch 19	Dollarizing Argentina A black market, a currency crisis, and a tango competition in Argentina The Dollar at the Center of the World The Gold Standard
18 (04/28)	Final Exam	Covers 2nd half of class (but content from the whole class will be implicitly incorporated)	

Note: This syllabus is meant to serve as an outline and guide for our course. Please note that I may modify it with reasonable notice to you. I may also modify the Course Schedule to accommodate the needs of our class. Any changes will be announced in class and posted on Canvas under Announcements.

Course Policies

Attendance & Punctuality: Given the nature of this course, attendance is required and adjustments cannot be granted to allow non-attendance. However, if you need to seek an Americans with Disabilities Act (ADA) accommodation to request an exception to this attendance policy due to a disability, please contact the Center for Disability and Access (CDA). CDA will work with us to determine which, if any, ADA accommodations are reasonable and appropriate.

Food & Drink: Please try not to distract others if you choose to eat or drink during class.

Electronic Devices in Class: No electronic devices unless you have a CDA-approved exemption.

Canvas: Besides the textbook, all other readings will be posted on Canvas. All assignments should also be submitted via Canvas.

Econ 3200 Spotlihght and Response Sessions		
Podcast/video	Date	Group members (2)
Where Dollar Bills Come From?	01/13	
When Bricks Were Rubles	01/15	
The Birth of the Dollar	01/22	
Smooth Spending and the 401K	01/27	
Bonds and Becky with the Good Yield	01/29	
We buy a junk bond	02/03	
The Stock Market	02/05	
Index Funds and the Bet	02/10	
The \$100 Million Deli	02/12	
Brilliant vs Boring	02/19	
Can't Stop Game Stop	02/24	
We Shorted America (part 1)	02/26	
We Shorted America (part 2)	3/3	
The High Cost of a Strong Dollar	3/17	
It's a Wonderful Life	3/19	
LIBOR Pains	3/24	
Sam Bankman-Fried and the Fall of his Crypto Empire	3/26	
What is a Bubble?	03/31	
Your Banking Questions Answered	4/2	
How does the Fed's Discount Window Work?	4/7	
How to Make \$3 Trillion Disappear	4/9	
Ray Dalio on the Coming Crisis of the US Debt	4/9	
Interest Rates: Why so Negative?	4/14	
The Life and Possible Death of Interest Rates	4/14	
The Volcker Shock	04/16	
The Dollar at the Center of the World	04/14	