

ECON330 - Money and Banking Syllabus

Term: Summer 2006

Lectures: Monday through Friday, 11:00–12:20
Patterson (HJP) 1229

O.H.: Tu & Th 9:30–11:00am or by appointment

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Introduction

The purpose of this course is to offer a good understanding of financial markets, with an emphasis on the banking sector and fixed-income securities. In particular, the following topics will be covered: (i) the determination of interest rates, (ii) the functions and operation of different financial intermediaries, and (iii) the functions and goals of central banks (the Fed).

Textbooks

The required textbook for this course is:

The Economics of Money, Banking and Financial Markets by Frederick S. Mishkin, 7th Edition, Pearson Addison-Wesley (ISBN: 0-321-12235-6 or 0-321-35794-9).

Course website

All course-related material (lecture notes, problem sets, solution sets, practice exams) will be posted at <http://www.econ.umd.edu/~trandafi/econ330>.

Lectures

The lectures are self-contained and the lecture notes, problem sets and practice questions should be all the necessary material to prepare for the final exam. Class attendance is not required, but highly recommended.

Examinations, problem sets and grades

50% of the grade will be determined by a **comprehensive** final exam, to be given on Friday, July 14 at 11:00am (regular class time). There will also be one midterm, counting for 30% of the grade, on Monday, June 26, at 11:00am (regular class time). The other 20% will come from four problem sets, due one week from the date they were handed out, at the beginning of the class. Late problem sets will have 50% of the points taken off, and problem sets handed in after the solutions were posted on the website will receive

zero credit. The problem sets will be graded on effort: you will get full credit if you make an honest attempt to answer *all* the questions.

You are required to take all examinations. Make-ups will be provided only in the cases for which the University allows it. Also, you need my permission to take the make-up. You should let me know in advance if you need to schedule a make-up. Make-ups will be scheduled at most one week after the initial exam was given.

Calculators

The use of calculators is required during the course, as you will need to evaluate several formulas and equations. Therefore, calculators are allowed during exams, but only basic or scientific *non-programmable* ones. The use of programmable or financial calculators will be considered cheating!

Tentative schedule

Tuesday, June 6	Introduction to Money and Banking (Chapter 1) <i>PS1 handed out</i>
Wednesday, June 7	Overview of the Financial System (Chapter 2)
Thursday, June 8 & Friday, June 9	Money (Chapter 3)
Monday, June 12 to Friday, June 16	The bond market (Chapter 4, 5 & 6) <i>PS1 due, PS2 handed out</i>
Monday, June 19	Financial structure – issues (Chapter 8)
Tuesday, June 20 to Thursday, June 22	The banking system I (Chapters 9 & 10) <i>PS2 due</i>
Friday, June 23	Review session
Monday, June 26	Midterm
Tuesday, June 27 to Friday, June 30	The banking system II (Chapters 10 & 11) <i>PS3 handed out</i>
Monday, July 3	No class
Wednesday, July 5	Central Banks and the Federal Reserve System (Chapter 14) <i>PS3 due, PS4 handed out</i>
Thursday, July 6 to Monday, July 10	Money Supply (Chapters 15 & 16)
Tuesday, July 11	Monetary Policy – tools, goals, targets (Chapter 17)
Wednesday, July 12	Monetary Policy – tools, goals, targets (Chapter 18) <i>PS4 due</i>
Thursday, July 13	Review session
Friday, July 14	Final exam