

**Salem State College
Fall 2004**

ECO 305A Money & Banking and Financial Institutions

Tues/Thurs 11:30 am– 12:45pm MH 541

Dr. Dorothy R. Siden, Professor. Office: Meier Hall, Room 249

Office Hours: Wed., 10-10:50am CC Cafeteria, Tues 10:30-11:30am,
Thurs., 1-2pm MH 249. and by appointment

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Course Description: Money & Banking: a detailed of the financial markets, instruments and institutions of the U. S. economy. Discussion of the Federal Reserve System and Monetary Policy formation and implementation. Essentials of the classical theory of money and modern theories of money and income. Emphasis on domestic and international debt and equity markets and foreign exchange.

Required Text: The Economics of Money, Banking and Financial Institutions, Frederic Mishkin, Pearson Addison Wesley, 2004.

Reading Assignments & Quiz Dates

Thurs., 9/9/04 Chapter 1, Why Study Money, Banking and Financial Markets?

Tues, 9/14/04, Chapter 2, An Overview of the Financial System

Thurs., 9/16/04, Chapter 3, What is Money? Problem Set 1 Given Out

Tues., 9/21/04 Chapter 4 Understanding Interest Rates Problem Set 1 Due

Thurs., 9/23/04, Chapter 5 The Behavior of Interest Rates

Tues., 9/28/04 Chapter 6 The Risk and Term Structure of Interest Rates Problem Set 2 Given Out

Thurs., 9/30/04, Problem Set 2 Due

Tues., 10/05/04 Quiz 1 (Chapters 1-6)

Thurs., 10/07/04 Chapter 8 Economic Analysis of Financial Structure

Tues., 10/12/04 Chapter 11 Economic Analysis of Banking Regulations

Thurs., 10/14/04 Chapter 14 Structure of Central Banks and the Federal Reserve System

Tues., 10/19/04 Chapter 15 Multiple Deposit Creation and the Money Supply Process

Problem Set 3 Given Out

Thurs., 10/21/04 Chapter 16 Determinants of the Money Supply Problem Set 3 Due

Tues., 10/26/04 QUIZ 2 (Chapters 8, 11, 14-16)

Thurs., 10/28/04 Chapter 17 Tools of Monetary Policy

Tues., 11/02/04 Chapter 18 Conduct of Monetary Policy, Goals and Targets Problem Set 4 Given Out

Thurs., 11/04/04 Chapter 19 The Foreign Exchange Market Problem Set 4 Due

Tues. 11/9/04 Chap. 20 Problem Set #5 Given Out

Thurs., 11/11/04 Veterans Day Holiday

Tues., 11/16/04 Chapter 21 Monetary Policy Strategy, The International Experience Problem Set #5 Due

Thurs., 11/18/04, Quiz 3 (Chapters 17-21) .

Tues., 11/23/04 **Chapter 22 The Demand for Money**

Thurs., 11/25/04 No Class Thanksgiving Holiday

Tues., 11/30/04 Chapter 23 Keynesian Framework and the IS/LM Model **Problem Set #6 Given Out**

Thurs., 12/2/04 Chapter 24 Monetary and Fiscal Policy in the IS/LM Model

Tues., 12/7/04 Chapter 25 Transmission Mechanism of Monetary Policy, The Evidence

Problem Set #6 Due

Thurs., 12/9/04 Chapter 26 Money and Inflation-27 Rational Expectations

Final Exam Thursday Dec. 16, 2004, 11:30-1:30 PM

No makeup exams or quizzes. Regular attendance is strongly recommended. The student is responsible for completing all course requirements and for keeping up with all that goes on in the course (whether or not the student is present).

Problem Sets are due on the date stated and are to be given to the professor in class on the day they are due. If a problem set or a quiz is missed, then that percentage of his/her mark will be determined by the final exam. If a student takes **all** the quizzes in class and submits **five** of the 6 problem sets **on time and as assigned**, the student may substitute the grade on his final for one quiz taken over the semester.

The Final Exam is mandatory.

Grading Policy: Quizzes (3)	20%
Problem Sets (5)	3% each
Final Exam	20%
Paper	5%

Paper: A one page economic analysis of a current (over the time period of this course) article from a newspaper or magazine on a microeconomic topic should be presented in class by the student at an assigned date over the semester. A theory from the textbook should be cited, the theory from the textbook should be applied to the topic of the article, and a copy of the article should be attached. Paper must be typed.

Format of papers and problem sets. All materials should be stapled and properly identified as shown below for full credit to be given. Papers should be typed. Problem sets should be written out legibly and neatly on paper that has smooth edges. Failure to follow formatting directions will result in a 1 point drop in grade for the project.

- Name
- Date
- Economics 305A, Dr. Siden
- **Tues., Thurs., 11:30AM-12:45PM**

“Salem State College is committed to providing equal access to the educational experience for all students in compliance with Section 504 of the Rehabilitation Act and The Americans With Disabilities Act and to providing all reasonable academic accommodations, aids and adjustments. Any student who has a documented disability requiring an accommodation, aid or adjustment should speak with the instructor immediately. Students with Disabilities who have not previously done so should provide documentation to and schedule an appointment with the Office for Students with Disabilities and obtain appropriate services.”

PS1 Federal Reserve Article and analysis and * 8 p. 38