



BEREA COLLEGE
Department of Economics and Business
ECO 332– Money and Banking
Course Syllabus – Fall 2013

Instructor: Dr. Nimantha Manamperi
Place and Time: Draper 214, MTWF, 3.00pm – 3.50pm
Office: Draper, Room 121-A
Office Hours: MTWF: 12.00pm – 12.45pm, 2.00pm – 2.45pm *or by appointment*
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Course Description: This course focuses on providing a thorough understanding on financial markets and central banking. The topics to be covered include the interest rates, the stock markets, the concept of money, financial regulation, financial crisis and monetary policy. They will cover the basic economic reasoning, tools and concepts that rule the financial markets.

Reading Material:

- (1) The Economics of Money, Banking and Financial Markets, 10th Edition, by Frederic S. Mishkin (*ISBN 9780132770248*). Available at the college book store. You may purchase a used book, but I would prefer that you purchase the 10th edition.
- (2) Class Notes and the PowerPoint slides.
- (3) The class webpage and the “*Econ_Blog*” in my webpage.
- (4) The Financial Times (www.ft.com), The Wall Street Journal (www.wsj.com), The Economist (www.economist.com)

Learning Outcomes:

Upon completion of this course, students should be able to:

- Understand the role of money and banks in the broader economy.
- Familiar with the Money supply, Federal Reserve System and Monetary Policy.
- Students are expected to master techniques relating to interest rate calculations, exchange rate determinations, and appropriate levels of the Money Supply.
- Understand the functioning of the stock market and other financial markets.
- Understand the Financial crisis and its impacts on the Macroeconomic activities and the society.
- Access various sources of financial and economic data and analyze them for better decision making.
- Be prepared for a more advanced study of economic and business subjects.
- Prepared to think and act like a Financial Economist.

Examination Calendar:

First Exam:	Friday, 09/20/2013
Second Exam:	Part 1: Wednesday, 10/16/2013 & Part 2: Friday, 10/18/2013
Final Exam:	Thursday, 12/12/2013, 10.00 am – 11.50 am in Draper 214
Make Up Exam:	Friday, 11/22/2013

Evaluation:

Exam 1	20%
Exam 2	20%
Final Exam	30%
Research Project	10%
Quizzes	15%
Article Summaries	5%
Total	100%

Grading Policy: A+ (95% above), A (90-95%), B (80-89%), C (70-79%), D (60-69%) and F ($\leq 59\%$)

Exams:

Exam 1 : All Multiple Choice.
Exam 2 : All Problem Solving.
Final Exam : All Multiple choice questions.
Makeup Exam : All Multiple Choice (*Comprehensive Exam*)

Exams Excuses:

If you miss Exam 1 or/and Exam 2 and you presented an official and verified excuse, you will be allowed to makeup the exam that you missed as early as possible. However you must present the excuse notice within 3 days of your absence. Some examples of 'valid' absences are: medical conditions, religious holy days, or representing Berea College at external events (conferences, 'away' games, etc.). No private excuses will be accepted in any means. No excuses accepted for the Final Exam. If you miss the final exam then you must accept a zero grade for it.

Makeup Exam:

You can make up only one missed midterm exams. You must present an excuse notice to get considered for the makeup. You **MUST** also get the prior approval from your instructor to take this exam. This exam will be a comprehensive exam. Instructor has the full right with the final decision in this matter. Especially you cannot make up the **MAKEUP** exam regardless of your excuse. If you miss the makeup exam you must accept a zero grade for that test (*No exceptions here*).

In-class Quizzes:

There will be 12 pop-up quizzes. These can be given at any time on any day of the classes. So you need to be prepared all the time. All quizzes are open book. Missed Quizzes can be made up if you have a valid Berea College excuse as mentioned above. These allowed makeup quizzes are given only during my TA's office hours. No Other excuses are accepted in any means. The lowest two quiz grades will be dropped from the final grade.

Research Project:

This is a group project. Students will be grouped in to five different groups based on the alphabetical order of the last name. This will be a ten minute class presentation and a ten page write up. Students in each group get the same grade. Every member should provide their equal participation to obtain this credit. The projects and the instructions will be announced in the first week of September. The presentations will be held on 12/03/2013 and 12/04/2013.

Article Summaries:

You will be asked to summarize assigned articles and submit one page summary on that. A total of six articles will be given. You must type the summary on a word document and submit the printed summary in class only on the due date. You can not submit these via email.

Notes:

1. Students are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, unless otherwise approved by the instructor, students are prohibited from using cellular phones, eating or drinking in class, making offensive remarks, using laptops for nonrelated class activities, reading newspapers, sleeping or engaging in any other form of distraction. Inappropriate behavior in the classroom shall result in, minimally, a request to leave class.
2. Attendance is highly encouraged.
3. A simple calculator should be used for the exams. Smart phones will not be accepted as a calculator.
4. American with Disability ACT: Berea College will provide reasonable accommodations for all persons with disabilities so that learning experiences are accessible. If you experience physical or academic barriers based on disability, please see Lisa Ladanyi (Disability & Accessibility Services, 110 Lincoln Hall, 859-985-3327, lisa.ladanyi@berea.edu) to discuss options. Students must provide their instructor(s) with an accommodation letter before any accommodations can be

provided. Accommodations cannot be provided retroactively. Please meet with your instructor(s) in a confidential environment to discuss arrangements for these accommodations.

5. Students are expected to have their ID's with them in class. The instructor reserves the right to ask a student to show his/her ID, especially during exams.
6. Any instance of cheating and/or plagiarism will result in an (F) for the course. The instructor reserves the right to pursue the matter further.
7. Using a laptop for class activities is acceptable. However if you use a laptop for non-class activities, it will result in revocation of your laptop privileges during class.
8. You are not allowed to use your phone in the class.

THE CLASS SCHEDULE	
Chapter 1	Why study Money, Banking and Financial Markets?
Chapter 2	An overview of the Financial System
Chapter 3	What is Money?
Chapter 4	Understanding Interest Rates
Chapter 5	The Behavior of Interest rates
Chapter 6	The Risk and Term Structure of Interest Rates
EXAM 1 on Chapters 1, 2, 3, 4, 5, 6	
Chapter 8	An Economic Analysis of Financial Structure
Chapter 9	Financial Crises
Chapter 10	Banking and the management of Financial Institutions
Chapter 11	Economic Analysis of Financial Regulation
Chapter 13	Central Banks and the Federal Reserve System
EXAM 2 on Chapters 8, 9, 10, 11, 13	
Chapter 14	The Money Supply Process
Chapter 15	The tools of Monetary Policy
Chapter 16	The Conduct of Monetary Policy: Strategy and Tactics
Chapter 19	Quantity Theory, Inflation and Demand for Money
Chapter 20	The IS Curve
Chapter 21	The Monetary Policy and Aggregate Demand Curve
FINAL EXAM on Chapters 14, 15, 16, 19, 20, 21	

* Note: Make Up Exam is Comprehensive.

* Note: The calendar is subjected to future amendments.