

# Money and Banking

Econ 310-07, Fall 2019

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**Instructor:** Denver Casey

**Time:** TR 10:30—11:45

**Email:** dcasey3@gmu.edu

**Place:** Innovation Hall 215G

**Prerequisites:** ECON 103 & 104

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Office Hours: Buchanan Hall, D150

T — noon – 1:30

W — 1:30 – 3

## Texts:

- Lloyd Thomas, *Money, Banking, and Financial Markets*. Abbreviated as “MBF” below. Available through the bookstore or online. (Required)
- Murray Rothbard, *The Mystery of Banking*, 2<sup>nd</sup> ed. Abbreviated as “R” below. Available online for free at the Mises Institute. (Recommended)
- Additional required readings. Sections with these readings will have an asterisk (\*), and will be available online.

**Overview:** This course examines the theory and history of money, and the policy of banking institutions. Lectures will coincide with the texts, but will modify and extend the concepts found in the readings.

**Grade Composition:** 3 Problem Sets (10% each, 30% total), 2 Midterm Exams (20% each, 40% total), Cumulative Final (30%). Problem sets are due at the beginning of class on the Tuesday immediately preceding an exam. The two midterms will be held on a Thursday, as detailed below.

**Grade Scale:**

- $x \geq 90\%$  — A  
 $90\% > x \geq 88\%$  — B+  
 $88\% > x \geq 80\%$  — B  
 $80\% > x \geq 78\%$  — C+  
 $78\% > x \geq 70\%$  — C  
 $70\% > x \geq 60\%$  — D  
 $60\% > x$  — F

**Tentative Schedule**

## Week:

- |      |   |                     |
|------|---|---------------------|
| (1)  | Intro to Money and Banking.....           | MBF 1&2, R 1, *     |
| (2)  | Financial Markets and Intermediation..... | MBF 3&4             |
| (3)  | Interest Rates and Term Structures.....   | MBF 5&6             |
| (4)  | Foreign Exchange Market .....             | MBF 8               |
| (5)  | <b>Review and Exam</b> .....              | N/A                 |
| (6)  | Commercial Banking.....                   | MBF 9, R 6&7        |
| (7)  | Banking Regulation.....                   | MBF 10&11, R 8      |
| (8)  | Central Banking.....                      | MBF 12&13, R 12-16  |
| (9)  | Credit Expansion & Stock Market .....     | MBF 14&7, R 10&11   |
| (10) | <b>Review and Exam</b> .....              | N/A                 |
| (11) | Money Supply and Demand.....              | MBF 15&16,22, R 4&5 |
| (12) | Monetary Policy and Interest Rates .....  | MBF 18&19           |
| (13) | Aggregate Demand and Supply .....         | MBF 20&21           |
| (14) | Monetary Policy .....                     | MBF 23-25, R17, *   |
| (15) | <b>Etcetera and Review</b> .....          | N/A                 |

**Important Dates**

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|------------------------------|------------------------|
| First class.....             | Tuesday, August 27     |
| Labor Day .....              | Monday, September 2    |
| Last day to add/drop.....    | September 3/9          |
| P.S. 1 Due .....             | Tuesday, September 24  |
| 1 <sup>st</sup> Exam.....    | Thursday, September 26 |
| Final withdraw deadline..... | Monday, September 30   |

Fall Break .....	October 15
P.S. 2 Due .....	Tuesday, October 29
2 <sup>nd</sup> Exam.....	Thursday, October 31
Thanksgiving.....	Thursday, November 28
P.S. 3 Due .....	Thursday, December 5
Last class.....	Thursday, December 5
Reading days.....	December 9 & 10
Final Exam.....	<u>Tuesday</u> , December 17

(Note: Final Exam is scheduled 10:30 — 1:15 PM)

### General Policies

- Regular attendance is strongly recommended. The readings are intended to serve as a foundation so that you can understand the lecture. PowerPoints used in the lectures will be made available online after class, but they will not contain all the information relayed in the lecture.
- Problem Sets are due at the beginning of class. As we will go over the answers in class, *late problem sets will receive a score of zero*. Collaboration on Problem Sets is allowed, but each student is responsible for turning in their own set.
- You will need a blue book for each exam, which are available in the bookstore. Exams will consist of several multiple-choice questions, a few short answer questions, and one or two essay questions.
- **Electronic device policy:** During lectures, laptops and cell phones are permitted provided that they do not cause a disturbance. Disruptive students will be asked to leave. The use of audio recorders is not allowed.
  - No electronics are allowed during an exam, including calculators capable of text storage. Simple calculators are allowed for

computational use only. Use of a prohibited device during an exam constitutes cheating.

- Exams are governed by the University's academic honesty policy. Cheating results in a zero score.
- No student may leave a Midterm (Final) Exam until 30 (45) minutes have elapsed. No student may enter an exam after anyone has left.
- Should you miss a midterm exam for whatever reason, you may increase the weight of the cumulative final by the missed amount
- Students must use their MasonLive email to receive any important information about this class. Check your email regularly.
- **Elastic Clause:** I reserve the right to make changes to this syllabus throughout the course as needed.

## **Additional Information**

**Disability Accommodations:** If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 993-2474, <http://ods.gmu.edu>. All academic accommodations must be arranged through the ODS. Approved accommodations supersede General Policies where applicable.

**Academic Honesty:** Mason is an Honor Code university; please see the Office for Academic Integrity for a full description of the code and the honor committee process. The principle of academic integrity is taken very seriously and violations are treated gravely. What does academic integrity mean in this course? Essentially this: when you are responsible for a task, you will perform that task. When you rely on someone else's work in an aspect of the performance of that task, you will give full credit in the proper, accepted form. When in doubt (of any kind) please ask for guidance and clarification