

Money and Banking (ECON 310 D01)

Summer 2021

Instructor: Yi Tian

Email: ytian8@gmu.edu

Office Hours: If you have any questions and would like to meet one-on-one, please contact me by e-mail. I will set up meetings via Zoom or Blackboard Collaborate Ultra.

This is an online asynchronous class. I will post recorded lecture slides and other materials every Monday and Tuesday at 6:00 p.m. starting May 17th. All the material in this class is copyrighted. Please do not share materials, such as slides, with students outside of this class. In case I find confusions that needs to be highlighted through our communication, or if I detect offering extra help will be beneficial for you to accomplish the course, I will upload some extra materials.

Textbook

Frederic Mishkin: Economics of Money, Banking, and Financial Markets, the 12th Edition (Another edition is acceptable. If you use other edition, please make sure to find the corresponding chapters in the edition that you use.)

Prerequisites

ECON 103, 104 or permission of instructor.

Course Description

This course provides a broad picture as well as some detailed mechanism analysis of how the economic is functioning through the perspective of money and banking. For the money part, we are going to look at what is money, how money is functioned, why and how does the monetary policy work. For the institution part, we are going to learn the history of banking, the functioning of banking and other financial sectors. We are also going to look at some events that is related to the money and banking phenomena.

Grading

Midterm:30% Problem Sets:30% Final:40%

- ◇ **Midterms:** Midterm will test you on the portions covered in the course till the week before the midterm. The mid-term examination is take-home exam. You will have 24 hours to finish and submit the exam. No late submissions will be accepted. Midterm exam will be assigned June 22 6:00 pm EST, it is due on June 23, 6:00 pm EST.
- ◇ **Problem Sets:** There will be 4 problem sets given during the duration of the course. Problem set 4 will not be graded. Problem 1-3 are weighted equally. To receive credit, the problem sets must be submitted to me before it is due. No late submissions will be accepted. PS#1 will be assigned on May 24, it is due on June 6 11:59 pm EST. PS#2 will be assigned June 14, it is due on June 20, 11:59 pm EST. PS#3 will be assigned on July 5, it is due on July 11, 11:59 pm EST. PS#4 will be assigned on July 13. While it is encouraged to have discussions regarding to the problem sets, your submitted work must reveal your own effort.
- ◇ **Final Exam:** The final exam is comprehensive. Anything that has been taught in the course is potential material for the final exam. The final exam is a take-home exam. You

will have 24 hours to finish and submit the exam. Final Exam will be assigned on July 20 6:00 pm EST, it is due on July 21, 6:00 pm EST. No late submissions will be accepted.

I will not offer makeup exams. If you are not able to take the midterm with a valid excuse, its weight will be shifted to the final. Exams missed for unexcused reasons will receive a score of 0. You should not miss the final exam unless you have a valid reason. In such a scenario, please make sure that you communicate the reason to me *in advance* before the final exam started. Please make sure you have access to Blackboard and your MasonLive email account. Any information regarding this course will be communicated either through Blackboard or via email. Check your MasonLive email account regularly.

Tentative Course Schedule

This is tentative topics we are going to cover. The course schedule set forth in this syllabus may be modified at any time by the course instructor. Notice of such changes will be by announcement in class videos and via email in a timely manner.

Topic		Readings
Overview of financial system and money		Chapter 1,2,3
Interest rates		Chapter 4,5,6
Central bank and the federal reserve system		Chapter 13
Conduct of monetary policy		Chapter 14,15,16
Exchange rates		Chapter 17
Monetary theory	Quantity theory, Inflation, and the demand for money	Chapter 19
	The IS Curve	Chapter 20
	The monetary policy and aggregate demand curve	Chapter 21
	Aggregate demand and supply analysis	Chapter 22
	Monetary policy theory	Chapter 23
Financial Institution	The economics analysis of financial structure	Chapter 8
	Banking and management of financial institutions	Chapter 9
	Financial regulation	Chapter 10
	Banking industry: Structure and competition	Chapter 11
	Financial crisis	Chapter 12

Academic Integrity

"Student honor code statement: To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University Community and with the desire for greater academic and personal achievement, we, the student members of the university community, have set forth this Honor Code: Student Members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work."(<https://catalog.gmu.edu/policies/honor-code-system/>)

Disability Accommodation

Office of Disability Services (ODS) at 993-2474, <http://ods.gmu.edu>.

If you need help regarding to disability accommodation, please let me know.