

COURSE SYLLABUS

TEXTS AND SUPPLIES

Mishkin, Frederic S., The Economics of Money, Banking, and Financial Markets, 8th Edition Alternate, Pearson Addison-Wesley, 2007.

A knowledge of current economic and financial market events will make this class much more interesting to you. You can best gain this knowledge by reading daily newspapers and the Wall Street Journal.

You may need graph paper for study purposes.

COURSE TIME and LOCATION

11:00-11:50, MWF, Bailey 106

OFFICE

Location 221 Bailey Business Center

Phone 878-3272 (W)
(Cell posted on office door)

E-Mail Craig.Walker@okbu.edu

Hours Monday 9:00-10:00 and

1:00-3:00

Tuesday 11:00-12:00

Wednesday 8:00-10:00 and
1:00-4:00

Thursday 1:00-2:00

(or any other time I am in my office or
you wish to schedule an appointment)

Web site <http://www2.okbu.edu/business/econ>

COURSE DESCRIPTION

A study of the role of money in the financial system, financial markets and instruments, and the operation of various financial institutions with emphasis on the banking industry. Specific topics include interest rates, regulation, information and market efficiency, and international implications.

COURSE OUTLINE (Brief, chapter numbers refer to Mishkin)

- I. Introduction (Chapters 1-3)
- II. Financial Markets (Chapters 4-7)
- III. Financial Institutions (Chapters 8-14)
- IV. Central Banking and the Conduct of Monetary Policy (Chapters 18-19)
- V. International Finance and Monetary Policy (Chapters 20-21)
- VI. Monetary Theory (Chapters 22-25)



COURSE OBJECTIVES-If you take advantage of the learning opportunities in this course, upon completion of the course you should:

1. Understand the way economist think of money and the role of money in our economy.
2. Understand the various financial institutions and the role of financial markets in our economy.
3. Understand the differences between financial markets and other markets and the role information plays in financial markets.
4. Understand the determinants of interest rates and exchange rates.
5. Understand the actions of central banks in conducting monetary policy.
6. Understand the interaction of events in financial markets, money markets, foreign exchange markets, and the macro economy.



ASSIGNMENTS

1. Three exams covering the material presented in class, the assigned chapters in Mishkin, and the assigned readings.
2. Readings from Federal Reserve Publications-I will distribute more specific instructions separately.
 - a. Written answers to discussion questions. The answers to the questions are to be typed and in paragraph form. Answers with an excessive number of mistakes or that are not in complete sentences are not acceptable.
 - b. Each student will prepare five to eight discussion questions on one of the selected articles and lead the class discussion of the article. Note that this assignment is to lead the discussion, not make a formal presentation so ask a lot of questions.
3. Homework
 - a. You will find the homework assignments on the course web page.
 - b. You may do the homework assignments as a part of a group or individually.
 - c. Each student or group will be responsible for presenting at least two homework questions or problems to the class.

RESOURCES-available on course web page

1. Study guides for each chapter are available on the class web page. These study guides include lists of questions from the text that you should be able to answer if you are prepared for the exams
2. Quizzes are available on the textbook web site
3. Link to online gradebook

ASSIGNMENTS

1. Three exams
2. Homework problem sets
3. Reading assignments
4. Presentation

GRADING

Grading Weights		Grading Scale	
Assignment	Weight	Grade	Points
Exams (3 exams @ 20%)	60%	A	90-100%
Homework Problems	15%	B	80-89%
Readings	15%	C	70-79%
Presentation	10%	D	60-69%
		F	0-59%

POLICIES

See http://www.okbu.edu/academics/forms/Syllabus_Attachment_Spring08.pdf

Prerequisites: ECON 2013-Principles of Macroeconomics and ECON 2023-Principles of Microeconomics

Attendance: You are expected to come to class. The university's attendance policy is enforced. You must be present for at least 75 percent of the class sessions to receive credit for the course.

If you are late for class or leave early I will count you absent unless you talk to me before you leave class that day. Being late or leaving early for class is disruptive and inconsiderate of the professor and your classmates.

Disability Statement: Oklahoma Baptist University complies with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. Students with disabilities who need special accommodations must make their requests and submit documentation to the Director of Student Services at (405) 878-2416. The Student Services office is located in the Geiger Center, Room 101.

Examinations: Exam dates are set at the beginning of the semester (see Course Schedule.)
Exams must be taken at the posted time.

Assignments: No assignments will be accepted late.

Textbook Material: A Course Schedule that lists the reading assignments for each class is attached.

Extra Credit: No extra credit work will be given.

Electronic Communication Devices: All phones, beepers, and other electronic communication devices should be turned off or at least silenced during class and be put away out of sight. If your phone rings during class, I reserve the right to answer it for you.

Phone Calls: If you call me and I am not available, leave a message and I will return your call as soon as possible. Please do not leave a cell phone number that is a long distance call from my office. If you do, I will not be able to return your call.

E-mails: Any e-mail you send me must come from your okbu.edu e-mail address. This is because of problems with spam. If you send me an e-mail from any other account, my Groupwise settings will block it and I will never see it. The subject for all class related e-mails should begin with the course prefix, number, and section, e.g. ECON 3453A. Any assignments you e-mail to me must be in the form of a Word document or Excel spreadsheet attached to the e-mail. Within the attachment you must include your name; course prefix, number, and section; the date; and the assignment title. Be sure to send yourself a copy of the e-mail and keep the file until the end of the semester.

I reserve the right to change anything in this syllabus if I feel it will improve the course. Students will be notified in writing of any changes in the course syllabus.

In addition to the text, you are responsible for the material in the following appendices that are available on the textbook web site.

- Appendix to Chapter 4: Measuring Interest-Rate Risk: Duration
- Appendix to Chapter 9: Duration Gap Analysis
- Appendix to Chapter 9: Measuring Bank Performance
- Appendix to Chapter 11: Evaluating FDICIA and Other Proposed Reforms of the Banking Regulatory System
- Appendix to Chapter 22: Empirical Evidence on the Demand for Money
- Appendix to Chapter 23: Aggregate Supply and the Phillips Curve

COURSE SCHEDULE

	Reading	Mishkin Chapter (approximate)	Homework/Other
1/28		1, Appendix to Ch. 1 (read) & 2	
1/30		3 (read)	
2/1	1	4 and Web Appendix	Select Fed article
2/4	Fed article questions due, e-mail Word document, see course web page for format		
2/6		5 & 6	Financial Instruments
2/8			
2/11	2		
2/13		6 & 7	Interest Rates
2/15			
2/18	3		
2/20			Macroeconomy
2/22			
2/25		8	
2/27			Behavior of Interest Rates
2/29	EXAM 1 Time 10:00-12:00		
3/3		9 and Web Appendices	
3/5	4	10	
3/7			Presentation sources and outline
3/10	5	11 and Web Appendix	
3/12	SSSA	12 (read)	
3/14	SSSA		
	Spring Break		
3/24		13	
3/26		14	Bank Performance
3/28		15-16 Review and See Questions	
3/31	6	18	
4/2			Hedging
4/4		19	
4/7	7		
4/9			Reserves
4/11	EXAM 2 Time 10:00-12:00		
4/14	8	20 & 21	
4/16			
4/18			
4/21	9	22 and Web Appendix	
4/23	Assessment Day		
4/25		23 and Web Appendix	Exchange Rates
4/28	10		
4/30		24	
5/2			Presentation sources and outline
5/5	11	25	AS/AD
5/7	Presentations		
5/9	Presentations		
5/13	Final 8:00 EXAM 3		