

THE UNIVERSITY OF WISCONSIN-PARKSIDE
Department of Economics

Economics 366

Money and Banking

Spring 2008

Instructor: **Stefan Ruediger**

Course time: Tuesday and Thursday 12:30pm-1:45pm Molinaro 317

Office: Molinaro 274; **Office hours:** Tuesday and Thursday 8:30am-9:30am or by appointment

Office phone: (262) 595-2268, **Email:** ruediger@uwp.edu

Final Exam: 1:00pm-3:00pm Tuesday, May 13, 2008

Course Requirements:

The required text book is “**Money, Banking, and Financial Markets**” by **Frederic S. Mishkin, 8th edition**. It is available at the UWP-bookstore. A tentative reading schedule is on the next page.

The material builds upon itself, so keeping up to date with the readings and lectures is very important. Typically, lectures will extend the results from the previous class. If there are concepts that you find confusing, please ask for help as soon as you can!

You will need to have access to the Internet for course work, since I will post important information, assignments and problem sets online using D2L. If you do not know how to use D2L please let me know as early as possible.

Grading:

Homework assignments	25%
Midterm-Exam	35%
Final Exam (cumulative)	40%

No make ups will be permitted, except under extraordinary circumstances **and** with **prior** permission. If you will be absent the day of an exam or quiz, then please contact me *beforehand* to determine if special alternative arrangements can be made. If you miss an exam or quiz for medical reasons and present sufficient and verifiable documentation, then an alternative grading policy will be designed. If you miss an exam or quiz for *any* other reason, then a grade of zero will be given for that exam or quiz.

Goal of the Course:

The goal of the course is to analyze which macroeconomic variables determine money supply and money demand. In order to do this, a broad understanding of the conduct and implementation of monetary policy and the impact of monetary policy on the economy and financial markets needs to be developed.

Course Outline

(depending on the progress of the class)

Date	Chapter	Topic
Jan 22 nd	1	Why study Money, Banking, and Financial Institutions
Jan 24 th	2	Overview of the Financial System
Jan 29 th	3	What is Money?
Jan 31 st	4	Understanding Interest Rates
Feb 5 th	5	The Behavior of Interest Rates
Feb 7 th	5	The Behavior of Interest Rates
Feb 12 th	13	Multiple Deposit Creation and the Money Supply Process
Feb 14 th	13	Multiple Deposit Creation and the Money Supply Process
Feb 19 th	14	Determinants of Money Supply
Feb 21 st	14	Determinants of Money Supply
Feb 26 th	15	Tools of Monetary Policy
Feb 28 th	15	Tools of Monetary Policy
Mar 4 th	16	Monetary Policy Goals, Strategy, and Tactics
Mar 6 th	16	Monetary Policy Goals, Strategy, and Tactics
Mar 11 th		Review
Mar 13 th		Exam
Mar 18 th		Spring Break
Mar 20 th		Spring Break
Mar 25 th	17	The Foreign Exchange Market
Mar 27 th	17	The Foreign Exchange Market
Apr 1 st	18	The International Financial System
Apr 3 rd	18	The International Financial System
Apr 8 th	19	Money Demand
Apr 10 th	19	Money Demand
Apr 15 th	20	ISLM Model
Apr 17 th	20	ISLM Model
Apr 22 nd	21	Monetary and Fiscal Policy in the ISLM Model
Apr 24 th	22	Aggregate Demand and Supply Analysis
Apr 29 th	23	Transmission Mechanism of Monetary Policy
May 1 st	23	Transmission Mechanism of Monetary Policy
May 6 th	24	Money and Inflation
May 8 th		Review
May 13 th		Final Exam