

L.DeMarco  
ldemarco@econ.rutgers.edu  
Spring 2017

## Money and Banking 220: 301

Rutgers University  
Department of Economics

**Class Hours:** M,Th 9:50 am – 11:10 am  
**Office Hours:** Monday 11:30 am – 12:30 pm  
Friday 11:30 am – 12:30 pm and by appointment

**Classroom :AB-2125**  
**Office : NJ Hall 405**

### Money, Banking and the Financial System 220:301 is a “lower” level elective

This course will address the history, principles, and application of Banking and the Financial System at an intermediate level; to discuss the role of banking in financial markets and allow students a thorough view into the financial markets. We will discuss historical and recent market cases and financial crises.

**Prerequisite :** 220: 102      Microeconomics  
                  220: 103      Macroeconomics  
Or            220:200      Economic Principles and Problems  
*All prerequisites require a minimum grade of C*

**Text :** The Economics of Money, Banking and Financial Markets , 11<sup>th</sup> edition by Frederic Mishkin  
**ISBN:** 978-0133836790

**Data analysis tool :** Microsoft Excel

#### Learning Goals:

Upon conclusion student will have researched and practiced:  
Financial markets, asset classes and structure  
The role of interest rates, inflation and monetary policy in Banking and Finance  
Banking structure, history and regulation  
International banking and markets  
Current data and analysis in the financial markets

#### Pedagogy:

This course will employ lectures, supplemental reading and additional online resources, quizzes and RP  
(see NOTES page 2)

<b>Grading :</b>	(2) Midterm ( in-class each 25% )	50%
	(2) 30 minute quizzes ( via Sakai)	15%
	<b>No make-up quizzes</b>	
	(5) RP Individual	25%
	Attendance/Participation	10 %

<http://sims.rutgers.edu/ssra>

**All of our course materials (slides and excels) are for our course use only, redistribution is prohibited and protected.**

---

### **Academic Integrity**

*Cheating and Plagiarism will not be tolerated. I will give enough opportunity to earn high grades by yourself there is no need for me to find any cheating or plagiarism of any sort. Dr. Sopher will be notified immediately.*

All quizzes and RP will be completed by their due dates, **no late work to be accepted.**

### **Attendance**

Students are expected to attend all classes. If you expect to miss more than one or two classes because of illness or a family emergency, please use the University absence reporting website <http://sims.rutgers.edu/ssra> to indicate the date and reason for your absence. An email is automatically sent to me.

### **Class Conduct**

It is the expectation of mutual respect throughout the course, not only between instructor and student but between you and your peers.

No recordings/photos/videos are to be taken of our class, you will have access to all materials needed via Sakai and such infringements on the privacy of everyone in the course

### **Sakai**

The quizzes will be administered via our Sakai coursesite module. Any issues taking quizzes via Sakai module will impede your course be aware of this from the start of our course. Discuss with me your issues with this type of testing ASAP. Everything you will need will be available through our Sakai coursesite as well.

### **Communication:**

Primary e-mail: [ldemarco@econ.rutgers.edu](mailto:ldemarco@econ.rutgers.edu)

In case of emergency: [l.demarco.ru@gmail.com](mailto:l.demarco.ru@gmail.com)

**E-mails are expected to be professional and proper, only e-mails of this type will be answered.**

### **Missed quizzes/exams:**

A missed quiz will earn a zero points, no make-up for quizzes.

A missed exam will earn zero points. Departmental Make-Up Exams will only be given under extraordinary circumstances. Students should check with me before missing an exam to see whether their particular circumstances meet my very limited definition of extraordinary.

### **Notes:**

---

- Quizzes and Midterms will be multiple choice, T/F and/or fill in questions that test concept and/or calculation
  - They are to be completed individually
- RP in this course are research and/or practice assignments
  - You will submit your work as well as an accompanying questionnaire via sakai
  - They are to be completed individually
- Attendance/Participation will include in class and in addition online interaction:
  - (1) Asking at least 1 question each week on our course website
  - (2) Answering at least 1 question each week on our course website

**All quizzes and RP will be completed by their due dates, no late work to be accepted.**

**All grades achieved during the semester are finalized by the last day of class.**

**Any RP grades for review must be in writing within 5 days of grade return.**

	<b>TOPICS</b>	<b>CH</b>	<b>RP</b>	<b>Quiz/Mid</b>
Week 1 1/15	Financial Markets, Asset classes, interest rates, inflation,	<i>Ch 1</i>		
Week 2 1/22	Time value of money, Expectation, Variance , Co-Variance Risk return relationship	<i>2,3</i>		
Week 3 1/29	What is money? What is the banking industry and how is it different than financial markets?	<i>9</i>	<b>Release RP1</b>	<b>Quiz 1</b>
Week 4 2/5	Debt instruments, types of Interest rates and loans Loanable funds theory of interest	<i>Ch 4</i>		
Week 5 2/12	Interest rate behaviors, term structure of interest rates Treasury yield curve	<i>Ch 5,6</i>		
Week 6 2/19	Asset valuation and market efficiency Equity, Bonds assets	<i>Ch 7</i>	<b>Release RP2</b>	
Week 7 2/26	2008 Financial Crisis: Institutions and instruments Regulation	<b>12,notes</b>		
Week 8 3/5	<b>Midterm 1: 3/6</b> Credit and Interest rate risk	<i>notes</i>		<b>Mid 1</b>
Week 9 3/12	<b>Spring break</b>			
Week 10 3/19	Banking and regulation: history, crises and challenges Behavioral finance	<i>10,11,12</i>	<b>Release RP3</b>	
Week 11 3/26	Central Banking and the money supply	<i>13,14</i>		
Week 12 4/2	Monetary Policy, Central Banking and International Finance What is a Negative Interest Rate Environment?	<i>Ch 15</i>		
Week 13 4/9	<b>Midterm 2: 4/10</b>		<b>Release RP4</b>	<b>Mid 2</b>
Week 14 4/16	International banking: the US Fed, ECB and BoJ The role of IMF	<b>11,13</b>		
Week 15 4/23	Interest rates and exchange rates	<i>17</i>	<b>Release RP5</b>	<b>Quiz 2</b>
5/1	Conclusion: the role of banking in financial markets	<b>notes</b>		

**Disclaimer:** We will cover content in this order. The dates of quizzes, midterms and RP are tentative, they can change due to our class meetings. I will discuss in advance before release and due dates. I reserve the right to make any changes to the syllabus.

***Important Dates:***

Last Day to Drop a Course Without a "W" January 24

Undergraduate Drop period with a "W" grade January 25 thru March 20

[Spring 2017 Academic Calendar](#)

**GRADE BRACKETS**

A	$90 \leq x \leq 100$
B+	$85 \leq x < 90$
B	$80 \leq x < 85$
C+	$75 \leq x < 80$
C	$70 \leq x < 75$
D	$60 \leq x < 70$
F	$x < 60$

**Disclaimer:** I reserve the right to curve final grades due to the level of difficulty in the nature of the course. No additional points will be given to grades; the grade brackets will shift to support the curve.

**Student-Wellness Services:**

---

***Just In Case Web App***, for a mental health crisis for you are a friend:

<http://codu.co/cee05e>

***Counseling, ADAP & Psychiatric Services (CAPS)***, for non-emergency psychological health issues:

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901 [www.rhscaps.rutgers.edu/](http://www.rhscaps.rutgers.edu/)

***Violence Prevention & Victim Assistance (VPVA)***

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 [www.vpva.rutgers.edu/](http://www.vpva.rutgers.edu/)

***Disability Services***

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

***Scarlet Listeners***, for confidential peer counseling and referral hotline:

<http://www.scarletlisteners.com/> or call (732) 247-5555