Required Readings:

*The Economics of Money, Banking and Financial Markets*, Mishkin (9th edition)

*The Wall Street Journal*

Office Hours:  Mondays 2:30 – 3:30 p.m.

Wednesdays 10:30 – 11:30 a.m.

and by appointment

Teaching Assistant:

Melanie Walter (mrwalter@email.wm.edu) is the TA for this class. Melanie will hold weekly review/problem sessions on Wednesdays at 5pm in Morton 139. These sessions are additional office hours…there will not be a formal class presentation…bring questions and work through them together. Melanie and I will monitor your progress through the semester.

Grading and Exams:

Your grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>10%</td>
</tr>
<tr>
<td>Paper</td>
<td>25%</td>
</tr>
<tr>
<td>Midterm</td>
<td>25%</td>
</tr>
<tr>
<td>Final</td>
<td>40%</td>
</tr>
</tbody>
</table>

Class Attendance/Participation – is expected and necessary.

Portfolio/Paper:

To develop your analytical skills, you will gather a portfolio of monetary policy articles from the *Wall Street Journal* and write a paper based on a topic from these articles. As appropriate, we will discuss articles and your analysis of them in class.

**Portfolio:** The graded portfolio will contain ten (10) articles that describe topics relevant to macroeconomics and monetary theory and policy. For each article, you will provide a brief discussion (2 - 3 paragraphs, typed) of the economic issue that makes this article relevant to your portfolio and/or what we are discussing in class.

Portfolio articles are due **in class each Tuesday** for those articles published the previous week (i.e., the previous Monday - Saturday).
You may submit up to two (2) articles per week, late submissions are not accepted. **Electronic submission is not acceptable** – you must submit the WSJ article you are discussing with your paper.

The last day to submit articles for your portfolio: **Tuesday, April 19th**.

**Paper**: The paper should be a six to seven page (typed) critical analysis of an issue that relates to a topic we have discussed in class. Your paper should review the current events of your selected issue, discuss the connection to our work in class and offer a criticism of the policies or events given the criterion of standard economic decision making.

The paper is due no later than: **12 p.m. (noon) Friday, April 29th**

**Electronic submission is not acceptable** – submit papers to my mailbox in the Economics Department Office (Morton 110) no later than noontime the last day of classes.

**Midterm**:  
There will be a cumulative midterm. This point marks the break between the institutions sections and the pure economics (graphs and theories) sections of the course. The midterm exam will be given on:

**Thursday, March 3rd**.

**Final Exam**:  
The final will be cumulative and last the entire exam period on:

**Monday, May 9th from 2:00 - 5:00 p.m.**

**Automatic Curve**:  
The 25/40 split on your exam grades will be automatically altered in the following cases:  
1) If your midterm grade is 17 points above your final grade, the split becomes 30/35.  
2) If your final grade is 17 points above your midterm grade, the split becomes 20/45.

**Cancelled Class**:  
Class is cancelled on Thursday, April 7th, I will be in DC on College business.
Economic 311 - Money and Banking
Course Outline – 9th edition

Introduction to Money and Financial Markets:
Overview: **Ch 1 including appendix - skim**
What is Money? Kinds of Money: **Ch 3**
Financial Markets, Institutions and Instruments: **Ch 2**
Efficient Bond Pricing/Yield to Maturity: **Ch 4: 69-72**
Term Structure of Interest Rates: **Ch 6: 130-142**

Commercial Banking:
Structure, Regulation, and Competition: **Ch 12**
Commercial Bank Policies: **Ch 10**
Balance Sheet, Basic Operation of Bank
Banking and Bank Regulation: **Ch 11**

Central Banking:
History - pre 1914: **Ch 10: 281-283**
Federal Reserve System: **Ch 13: 320-333**

Monetary Management:
Multiple Deposit Creation: **Ch 14**
Determinants of the Money Supply
Monetary Management by Fed: **Ch 15**

(Midterm)

Monetary Theory:
Demand for Money: **Ch 19, Ch 5: 109-1**
Post - Keynesian M^d - LM curve: **Ch 20**
Equilibrium in Goods Market
Modern Goods Markets - IS curve
General Equilibrium
Algebra of Equilibrium
Monetary & Fiscal Policy in ISLM: **Ch 21 (skip 552 - 557)**
Relative Effectiveness of Alternative Policy
A More General, General Equilibrium: **Ch 22**
Aggregate Supply, "True" General Equilibrium
Applications

Monetary Policy:
Goals and Problems: **Ch 13: 315-320, Ch 16: 405-408**
Activist, Nonactivist Debate:
Application to events of the past 25 years
Money and Monetary Policy: **Ch 16: 408-412, Ch 21: 552 - 557**
The Federal Reserve Experience