

ECON 310 101Z

Money & Banking

Meeting Information: DCOB263; TR 12:30PM - 01:45PM;
23Fall



Instructor

Maggie Foley

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Office Hours: 2pm - 3:30 pm, Tuesday and Thursday

This syllabus is informational in nature and is not an express or implied contract. It is subject to change due to unforeseen circumstances, as a result of any circumstance outside the University's control, or as other needs arise. If, in the University's sole discretion, public health conditions or any other matter affecting the health, safety, upkeep, or wellbeing of our campus community or operations requires the University to move to remote teaching, alternative assignments may be provided so that the learning objectives for the course, as determined by the faculty and the University, can still be met. The University does not guarantee specific in-person, on-campus classes, activities, opportunities, or services or any other particular format, timing, or location of education, classes, activities, or services.

Fundamental to Jacksonville University's mission is support for an environment where divergent ideas, theories, and philosophies can be openly exchanged and critically evaluated. Consistent with these principles and the concept of Academic Freedom, this course may involve the discussion of ideas that you find uncomfortable, disagreeable, or even offensive. These ideas are intended to be presented in an objective manner, they are not intended to persuade, and are not an endorsement of what you should personally believe.

Mask Policy

Please be advised that the mask policy in this class will follow Jacksonville University requirements. When/if the University enacts a mask policy, all students are expected to adhere to the policy.

Face to Face Class Policy

For classes that meet face to face, students may not independently choose to attend class sessions virtually without the appropriate accommodation from the Disability Support Services office. You may apply for a temporary medical accommodation here: https://ju-accommodate.symplicity.com/public_accommodation/

Course Description

Cross-listed with FIN 310. Three hours per week. Prerequisite: ECON 201. Topics include the role of money; commercial banks, other financial institutions, price level movements; money flow and the business cycle; Federal Reserve Bank organization and functions; the control of credit; and the interrelation of money and fiscal policy. Credit cannot be awarded for both ECON 310 and FIN 310.

Course Objectives/Learning Outcomes

After completing this course, students are expected to competently:

- Describe financial markets and the primary financial instruments in the U.S.
- Demonstrate an understanding of risk and its role in shaping financial decisions.
- Identify the key means by which the economy can affect interest rates.
- Explain the theoretical foundations and importance of stock market efficiency.
- Demonstrate a basic understanding of key derivative instruments in financial markets.
- Explain the theoretical foundations of financial intermediation versus direct finance.
- Articulate an understanding of current monetary policy and the impact it has on the economy.
- Communicate effectively using standard financial terminology.

Class Format

- Lecture will be integrated with student presentations and discussions of textbook reading and primary literature.
- Students will be expected to participate in class.

Required Texts & Materials

<https://ju.bncollege.com/course-material/course-finder>

Money, Banking, and Financial Markets

ISBN: 978-1260571363

Authors: Cecchetti & Schoenholtz

Publisher: McGraw-Hill Irwin

Edition: 6th

Grading

Point Total	Letter Grade	% of Total Course Points
90 - 100	A	90 - 100%
89-89.5	A-	89 - 89.5%
88-88.5	B+	88-88.5%
80-87.5	B	80-87.5%
79-79.5	B-	79-79.5%
78-78.5	C+	78-78.5%
70-77.5	C	70-77.5%
69-69.5	C-	69-69.5%
68-68.5	D+	68-68.5%
60-67.5	D	60-67.5%
59-59.5	D-	59-59.5%
LESS THAN 59	F	LESS THAN 59%

Exams 60%

Three exams will be given during the semester. Exams are closed book and closed note. The exams will include material from assigned readings and class discussions. Your attendance in class will help ensure that you do not miss any pertinent information. The exams may include multiple choice questions, short answer questions (baby essays), and “fill in the blank” questions.

Exams later in the semester will tend to focus on new material, however I may re-examine some older material, especially on the final. As exams approach, I will provide more information as to what types of questions you should expect. Also, note that the material we cover in the earlier exams provides a basis for understanding the -material in the remainder of the course.

Term Project 10%

Term Project Guideline: Analyzing Bank Failure in 2023

Introduction:

The term project will provide students with a deeper understanding of the complexities surrounding bank failures in the modern financial system. By analyzing the selected bank failure in 2023, students will gain insights into the multifaceted factors that contribute to such incidents and the potential strategies to prevent them.

Steps:

1. Bank Selection:

Select a prominent bank failure that occurred in the year 2023. Choose a bank that has substantial information available for research and analysis.

2. Background Research:

Gather relevant information about the selected bank, including its history, financial performance, market position, and any preceding events that might have contributed to its failure.

3. Causes and Factors:

Identify and analyze the primary causes and contributing factors that led to the bank's failure. Consider both internal and external factors, such as mismanagement, economic conditions, regulatory changes, and market dynamics.

4. Regulatory Domain:

Examine the regulatory environment in which the bank operated. Investigate whether regulatory oversight played a role in preventing or exacerbating the failure. Explore any changes in regulations that might have impacted the bank's operations.

5. Financial Analysis [optional]

Analyze the financial statements and data available for the bank. Evaluate key financial indicators such as capital adequacy, asset quality, management quality, earnings, and liquidity. Compare these metrics to industry standards and identify deviations.

6. Impact and Consequences:

Assess the broader impact of the bank failure on the financial system, its customers, stakeholders, and the economy as a whole.

7. Preventive Measures:

Explore potential preventive measures that could have been taken to avert the bank's failure.

8. Recommendations:

Based on your analysis, propose recommendations for regulators, policymakers, and banking institutions to mitigate the risks associated with future bank failures.

9. Presentation (optional)

Prepare a presentation summarizing your project findings. Highlight the main points, causes, consequences, and recommendations.

Homework 15%

There will be several homework sets assigned during the semester. Homework due dates are specified during the course work. Homework is due at the beginning of class. The goal of homework is to help your understanding of the material. Note that questions similar to the homework may appear on exams – so it is important that you understand how to work problems by yourself. Submitted work must be legible.

Quiz 15%

Every week, there will be a quiz on the previous week's material. You'll receive a study guide before the following Monday to help you get ready for the quizzes.

COURSE GRADING

Two Mid-Term Exams 40%

Final Exam 20%

Term Project 10%

Homework 15%

Weekly Quiz 15%

Lab Information

None

Attendance Policy

Students are asked to sign an attendance sheet at the beginning of each class, although no formal penalty will be assessed for poor attendance. Due to the uncertainty that COVID-19 presents, extended absences may be necessary due to either illness or quarantine. Please work with the Student Life office to report your individual situation.

Make-Up Exams/Assignments

Students who miss an assignment or exam for a valid reason must present documentation (from a medical doctor, a coach, a representative from student life, or other university official) to make it up. Students should notify the instructor before the exam to indicate that they will be missing the exam.

Using Electronic Devices

The use of laptop computers, tablets, cell phones, or any other electronic devices during face-to-face class sessions is generally not allowed unless there are specific class assignments that require them. Comprehension, attention, and note taking all tend to improve when students are not using electronic devices.

Extra Credit

In addition to the extra credit opportunities listed below on the schedule, the instructor may offer other extra credit opportunities, but students may earn no more than 5 extra credit points.

Late Work/Assignments

Students can submit assignments after the original deadline, but there's a 5% penalty for each day it's late, up to a maximum of 50% penalty.

Schedule of Readings and Assignments (subject to change)

8/15 Introduction

8/17 Chapters 1 – Introduction to money and financial system

8/22 Chapters 11-14 Banks Part I

8/24 Chapter 11-14 Banks Part II

8/29 Chapter 11-14 Banks Part III

8/31 Chapter 15-18 Federal Reserve and Monetary Policy Part I

9/5 Chapter 15-18 Federal Reserve and Monetary Policy Part II

9/7 Chapter 15-18 Federal Reserve and Monetary Policy Part II

9/12 First Mid-term exam

9/14 Chapter 2 – What is Money Part I

9/19 Chapter 2 – What is Money Part II

9/21 Chapter 3 – Financial Instrument, Market and Institution Part I

9/26 Chapter 3 – Financial Instrument, Market and Institution Part II

9/28 Chapter 4 – Time value of money Part I

10/3 Chapter 6 – Bond Market Part I

10/5 Chapter 6 – Bond Market Part II

10/7 Chapter 7 – Rating, Term Structure, Yield Curve Part I

10/12 Chapter 7 – Rating, Term Structure Part II

10/17 Fed Visit

10/19 Second Midterm Exam

10/24 Chapter 5 – Diversification Part I

10/26 Chapter 5 – Diversification Part II

10/31 Chapter 8 – Stock Market

11/2 Chapter 9 – Futures and Options Part I

11/7 Chapter 9 – Futures and Options Part II

11/9 Chapter 10 – Foreign Exchange Market Part I

11/14 Chapter 10 – Foreign Exchange Market Part II

11/16 Review of final exam

11/18 Final Exam – 5:30 PM & Term project due

Academic Honesty

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“Members of the Jacksonville University community are expected to foster and uphold the highest standards of honesty and integrity, which are foundations for the intellectual endeavors we engage in.

To underscore the importance of truth, honesty, and accountability, students and instructors should adhere to the following standard:

“On my honor as a student of Jacksonville University, I promise to uphold the values of honesty, trust, fairness, respect, and responsibility in all my dealings with faculty, staff, and students.”

Academic misconduct occurs when a student engages in an action that is deceitful, fraudulent, or dishonest regarding any type of academic assignment that is intended to or results in an unfair academic advantage. In this context, the term “assignment” refers to any type of graded or ungraded work that is submitted for evaluation for any course. Academic misconduct includes but is not limited to cheating, collusion, falsification, misrepresentation, unauthorized collaboration on assignments, copying another student’s work, using or providing unauthorized notes or materials, turning in work not produced by the individual, attempting to get credit for a single instance of work submitted for more than one course, and plagiarism. Furthermore, providing deceitful, fraudulent, or dishonest information during discussions of an academic matter with faculty are also examples of academic misconduct.” (Jacksonville University Academic Integrity Policy <https://www.ju.edu/academicintegrity/academic-integrity-misconduct-policy.php>)

Throughout this course we will be reading and reporting about the work of others. All information that is not original to the student must be appropriately attributed in both presentations and written work. All students are expected to do their own work and give appropriate credit for all sources used in the process of preparing papers, presentations, and homework assignments. Group assignments will be graded based on the product of the work, although some adjustment may be made for participation. [If you have a question about whether or not collaboration is allowed, or how to cite a reference, please ask. It is always better to check than to be accused of an unintended violation of the academic honesty policy.] Violations of the academic honesty policy will be dealt with in accordance to university policies [Refer to current Academic Catalog “Academic Integrity and Misconduct”].

Course Level Penalties: A first offense may result in a failing grade for the assignment. Second offenses may result in failure in the course. Significantly egregious violations may result in expulsion from the university. When in doubt give credit for all information that did not come directly out of your head!

Statement Regarding Use of Generative Artificial Intelligence (AI)

Jacksonville University recognizes the power and potential in Artificial Intelligence to assist in many areas of scholarship represented at the institution. AI, like ChatGPT and others, has the potential to be misused. In general, the Academic Integrity Policy stated in this document and elsewhere in Jacksonville University publications and websites does not encourage AI use in an academic setting. AI produced materials submitted for graded assignments are falsely representing the work as generated solely by the student. The specific use of AI is left up to the individual instructor and should be articulated on course syllabi and in the instructions for individual assignments. If instructors do not give explicit permission to use AI students should assume that its use will constitute a violation of the Academic Integrity Policy of Jacksonville University.

COVID-19 Accommodations

Students requesting accommodations due to COVID-19 must work with the Disability Support Services (DSS) office. This office is located on the third floor of the Davis Student Commons, room 336. The office can also be contacted through their website (<https://www.ju.edu/disabilityservices/index.php>). This includes any request to complete class remotely.

Disability Statement

Students with a documented disability requesting classroom accommodations or modifications, either permanent or temporary, resulting from the disability are encouraged to register with the Disability Support Services (DSS) office. This office will assist in recommending accommodations that eliminate barriers in academic coursework and/or guide you through the different supportive mechanisms that we have to offer. This office is located on the third floor of the Davis Student Commons, room 336. The office can also be contacted through their website (<https://www.ju.edu/disabilityservices/index.php>).

Note: Students are encouraged to register with the DSS office at the beginning of the term and/or prior (if/when possible), as accommodations are not provided retroactively.

FERPA

The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education. Information on Jacksonville University's FERPA policy is available at: <https://www.ju.edu/about/ferpa-information.php>

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