MONEY, BANKING, AND FINANCIAL MARKETS in Fall 2018 (EC3073)

Course Code	EC3073	**Professor(s)**	Peter Bent
Prerequisites	None	**Office Number**	
Class Schedule	TF: 16:55-18:15 in G-113	**Office Hours**	Tues. & Fri. 15:20-16:40 and by appointment
Credits	4	**Email**	pbent@aup.edu
Semester	Fall 2018	**Office Tel. Ext.**	

Course Description

This course explores the economics of money, banking, and financial markets.

Topics covered include:

- Money—what is it?
- Commercial banks—what do they do?
- Financial markets—what do they do when they function properly?
- Financial crises—why do they happen, and what can we do about them?

Course Learning Outcomes

Understand news about the financial system
Critically evaluate commentary about that system
Describe, apply, and appraise economic theories that relate to money, banks, inflation, interest rates, stock prices, exchange rates, and aggregate income and output

General Education

[PLEASE EDIT OR REMOVE THE FOLLOWING TEXT AS APPLICABLE]
The general education program at AUP consists of four requirements: Speaking the World, Modeling the World, Mapping the World, and Comparing Worlds Past and Present.

This course can be used to fulfill the [INDICATE THE REQUIREMENT(S) FULFILLED BY THE

COURSE] requirement and as such has the following learning outcomes:

[INDICATE THE GENERAL EDUCATION LEARNING OUTCOMES]

Course Outline

CLASS SCHEDULE:

(subject to change)

Session	**Day**	**Date**	**Topic**	**Reading**
1	Tues	11-Sep-18	Why Study Money, Banking, and Financial Markets?	Mishkin, ch. 1
2	Fri	14-Sep-18	An Overview of the Financial System	Mishkin, ch. 2
3	Tues	18-Sep-18	What Is Money?	Mishkin, ch. 3
4	Fri	21-Sep-18	Understanding Interest Rates	Mishkin, ch. 4
5	Tues	25-Sep-18	The Behavior of Interest Rates	Mishkin ch. 5
6	Fri	28-Sep-18	The Risk and Term Structure of Interest Rates	Mishkin, ch. 6
7	Tues	02-Oct-18	The Stock Market, RE, and EMH	Mishkin, ch. 7
8	Fri	05-Oct-18	An Economic Analysis of Financial Structure	Mishkin, ch. 8
9	Tues	09-Oct-18	Banking and the Management of Financial Institutions	Mishkin, ch. 9
10	Fri	12-Oct-18	**Midterm 1**	
11	Tues	16-Oct-18	Economic Analysis of Financial Regulation	Mishkin, ch. 10
12	Fri	19-Oct-18	Banking Industry: Structure and Competition	Mishkin, ch. 11
13	Tues	23-Oct-18	Financial Crises	Mishkin, ch. 12
14	Fri	26-Oct-18	Central Banks and the Federal Reserve System	Mishkin, ch. 13
15	Tues	30-Oct-18	The Money Supply Process	Mishkin, ch. 14
-	Fri	02-Nov-18	Fall break: no class	
16	Tues	06-Nov-18	The Tools of Monetary Policy	Mishkin, ch. 15
17	Fri	09-Nov-18	The Conduct of Monetary Policy	Mishkin, ch. 16; Yellin
18	Tues	13-Nov-18	The Foreign Exchange Market	Mishkin, ch. 17
19	Fri	16-Nov-18	**Midterm 2**	
20	Tues	20-Nov-18	The International Financial System	Mishkin, ch. 18
21	Fri	23-Nov-18	Quantity Theory, Infl., and the Demand for Money	Mishkin, ch. 19
22	Tues	27-Nov-18	The IS Curve	Mishkin, ch. 20

23	Fri	30-Nov-18	The Monetary Policy and Aggregate Demand Curves	Mishkin, ch. 21
24	Tues	04-Dec-18	Aggregate Demand and Supply Analysis	Mishkin, ch. 22
25	Fri	07-Dec-18	**Student presentations**	
26	Tues	11-Dec-18	Review	
27	Tues	18-Dec-18	**Final exam**	

Textbooks

Title	Author	Publisher	ISBN	Required
Economics of Money, Banking and Financial Markets	Fredric Mishkin	Pearson	9781292094304	Yes

Attendance Policy

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and in case of absence, should contact their professors to explain the situation. It is the student's responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus. The French Department, for example, has its own attendance policy, and students are responsible for compliance. Academic Affairs will excuse an absence for students' participation in study trips related to their courses.

Attendance at all exams is mandatory.

IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR COMMUNICATION WITH THE PROFESSOR, AND FOR ARRANGING TO MAKE UP MISSED WORK, RESTS SOLELY WITH THE STUDENT.

Whether an absence is excused or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive absences, it is up to the professor or the department to decide if the student will receive an “F” for the course. An instructor may recommend that a student withdraw, if absences have made it impossible to continue in the course at a satisfactory level.

Students must be mindful of this policy when making their travel arrangements, and especially during the Drop/Add and Exam Periods.

Grading Policy

GRADING:

Grades for this course will be determined on the following basis:

- In-class participation (10%)
- Group presentation (10%)
- Midterm 1 (25%)
- Midterm 2 (25%)
- Final exam (30%)

Financial Crises Presentations

One of the requirements of the course is to make a 5-minute in-class team presentation overviewing the 2007-08 financial crisis and current state of the economy in a country of your choice. The idea is to cover both advanced and emerging economies, to see the difference in the effect of the crisis on these two different types of economies. The presentation will be followed by a 5-minute question and answer session. Students will form teams of 2-3 students and prepare presentations. More details of the assignments and presentations will be distributed via Blackboard. A set of suggested topics and detailed instructions will be discussed in class. Students may cover other topics with the approval of the instructor.

Other