MONEY, BANKING, AND FINANCIAL MARKETS in Fall 2019 (EC3073)

Course Code	EC3073	**Professor(s)**	Peter Bent
Prerequisites	None	**Office Number**	G-205
Class Schedule	TF: 13:45-15:05 in SD-1	**Office Hours**	Tues. 12:10pm-1:30pm and by appointment
Credits	4	**Email**	pbent@aup.edu
Semester	Fall 2019	**Office Tel. Ext.**	

Course Description

This course explores the economics of money, banking, and financial markets. For economics majors, this course provides an in-depth analysis of how the banking system and financial markets work, building on the introduction to these topics from introductory/intermediate macroeconomics classes. For finance majors, this course offers a big-picture overview of the banking system and financial markets, within historical and political economy frameworks.

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

COURSE AND READING SCHEDULE

(subject to change)

The following subjects in the Mishkin textbook will be covered in this order:

1. Why Study Money, Banking, and Financial Markets?
2. An Overview of the Financial System
3. What Is Money?
4. Understanding Interest Rates
5. The Behavior of Interest Rates
6. The Risk and Term Structure of Interest Rates
7. The Stock Market, RE, and EMH
8. An Economic Analysis of Financial Structure
9. Banking and the Management of Financial Institutions
10. Economic Analysis of Financial Regulation
11. Banking Industry: Structure and Competition
12. Financial Crises
13. Central Banks and the Federal Reserve System
14. Central Banks: A Global Perspective
15. The Money Supply Process
16. Tools of Monetary Policy
17. The Conduct of Monetary Policy
18. The Foreign Exchange Market
19. The International Financial System

[If we have time, we will cover some material from other chapters as well. It might also be the case that we don't make it through every one of the chapters listed above, if we cover some of the earlier chapters in greater depth.]

Important EC3073 fall 2019 dates:

1st homework due	September 17
2nd homework due	October 1
1st midterm	October 4
3rd homework due	October 18
2nd midterm	November 1
4th homework due	November 15
Critical book review due	November 26
Critical book review presentations	November 26
Financial crisis project group presentations	December 2
Course review	December 6
Final exam	Date/time TBA

Important AUP fall 2019 dates:

Last day to drop/add courses online	September 8
Mid-semester	October 16
Mid-semester grades due	October 18
Fall break (no classes)	October 30-November 3

Last day to withdraw from a course, last day for no credit option	November 4
Armistice break (no classes)	November 11-12
Last day of classes	December 6
Reading days	December 7-11
Final Exams	December 12-18

Textbooks

Title	Author	Publisher	ISBN	Required
The Economics of Money, Banking and Financial Markets, 11th Edition (Global Edition)	Frederic S. 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

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

- Homework assignments (10%)
- Critical book review (10%)
- Group presentation (10%)
- Midterm 1 (20%)
- Midterm 2 (20%)
- Final exam (30%)

Other