

**ECON 305: Money and Financial Institutions**  
**Tate 133 TR 3:05-4:20 pm**  
**SYLLABUS**

Professor: Nancy Barry

Office: Tate 305

Office Hours: 11:00-12:00 Tuesday and Thursday or by appointment

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**Course Description:**

An introduction to the operations, mechanics, and structure of the U.S. financial system, with emphasis on its institutions, and markets; the Federal Reserve System and monetary policy; and the effects of policy on the economy and on financial institutions. *Prerequisites:* ECON 200, ECON 201, MATH 104 or 250, MATH 105 or 120; or permission of the instructor

**Textbook and Other Materials:**

*Money, Banking, and Financial Markets*, 5<sup>th</sup> ed. by Stephen G. Cecchetti and Kermit L. Schoenholtz (Cecchetti)

*Connect*

You will need an on-line connection to *Connect* for homework assignments. You can also read the text electronically or buy a loose-leaf or hard-cover text. The web address for our class is <http://connect.mheducation.com/class/n-barry-fall-2017-section-1>

Other required or optional readings will be posted on Oaks from time to time. You must check Oaks frequently to be sure you are up to date on the assignments. Class slides and other materials used in class will be posted on Oaks after they are used in class.

You are encouraged to read a good source of economic news such as the *Wall Street Journal* (other than the editorial page), *The Economist*, and/or the business section of the *New York Times*. Student rates are available for these publications. You are especially encouraged to read articles related to this course including those about money, financial regulation, financial markets, and monetary policy.

**Required Economics Learning Outcomes**

- Understanding Major Economic Problems - Demonstrate an understanding of the major economic problems facing society and the policy alternatives which may be utilized to contend with these problems.
- Synthesis - Demonstrate the ability to access existing knowledge by retrieving, assembling, and organizing information on topics and issues in economics.
- Communication Skills - Demonstrate the ability to clearly communicate an economic analysis.

**Students with Disabilities**

The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services/SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me one week before accommodation is needed.

**College of Charleston Honor Code and Academic Integrity**

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student's actions are related more to a misunderstanding will be handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student's file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive an XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student's transcript for two years after which the student may petition for the XF to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others' exams, fabricating data, and giving unauthorized assistance.

Students can find the complete Honor Code and all related processes in the Student Handbook at <http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php>

***To assist students in maintaining the honor code, please bring as little as possible to class on quiz and exam days and be prepared to leave your belongings in the front of the classroom.***

#### **Assignments:**

- 1) See the Course Schedule below for reading assignments in Cecchetti
- 2) As noted in the Course Schedule, there will be 10 reading quizzes during the term. These quizzes will generally test whether you have read the assigned text material before we discuss the chapters in class. ***The quizzes will test whether you have read the material but will not assume that you have studied it in great detail.*** That is the purpose of tests. Reading the material before it is discussed in class will contribute to your success in this class. You will be familiar with terms and will be able to better follow the discussion. In addition, quizzes will help me determine what information or concepts are most difficult, and we will spend more class time on those.
- 3) Connect homework. Homework will generally be due on the Saturday night at the end of the week the material is assigned. See Connect for due dates.
- 4) Present information in class as a member of a small 2- or 3-person group on a period of the Federal Reserve's history and explain how that period differs from today. More information to be provided.
- 5) Additional readings in Oaks

## Course Schedule

Week	Topic	Cecchetti Chapters	Quizzes and Exams	Other important events
8-22	Class Protocols and Money	Chapters 1 and 2		
8-29	Financial Instruments, Markets, and Institutions	Chapter 3	Quiz 1 – 8-29	
9-5	Risk	Chapters 4 and 5	Quiz 2 – 9-6	
9-12	Bonds	Chapter 6	Quiz 3 – 9-15	
9-19			Exam 1 – 9-22	FOMC meeting
9-26	Risk continued and Financial Intermediation	Chapters 7 and 11	Quiz 4 – 9-29 –	
10-3	Banks and financial Institutions	Chapters 12 and 13	Quiz 5 – 10-4	
10-10	Regulation	Chapter 14	Quiz 6 – 10-11	Additional reading in Oaks on Regulation
10-17	Fall break		Exam 2 – 10-19	No Class Fall Break 10-17
10-24	Central Banks	Chapters 15 and 16	Quiz 7 – 10-26	Last day to withdraw with a "W" 10-26
10-31	Money Supply and Monetary Policy	Chapters 17 and 18	Quiz 8 – 11-2	FOMC Meeting
11-7	Modern Monetary Economics	Chapters 20 through 23	Quiz 9 – 11-9	
11-14	Foreign Exchange	Chapters 9 and 19	Quiz 10 – 11-16	Thanksgiving Break 11-23
11-28	Presentations		Presentations	
12-12	Final Exam		Final Exam 4-7PM	FOMC meeting

## Grades

Grades in this class will be calculated as follows

- 1) For the 3 exams – your best exam will count 30% of your grade, your second best 20%, and the 3<sup>rd</sup> will count 10% for 60% of your grade. **No make-up exams will be given.** If you cannot take one of the first two exams at the assigned time, 5% of your grade will be allocated to each of the other two exams. **The final exam will be cumulative.**
- 2) Reading quizzes will count 16% of your grade (2% each). There are 10 quizzes – the highest 8 quiz grades will count toward your final grade. (**No make-up quizzes will be given.**)
- 3) Connect Homework 14%
- 4) Class presentations 10%. You will be divided into teams of 2 or 3, will choose a period of Federal Reserve history. Describe the period and show how it differs from modern times.

### Grading scale

A	94-100	B	83-86	C	73-76	D	63-66
A-	90-93	B-	80-82	C-	70-72	D-	60-62
B+	87-89	C+	77-79	D+	67-69	F	< 60

**Required Attendance and Class Success**

Attendance in class is mandatory. If you have more than 3 absences for any reason, you will need to withdraw from the class. In very extreme circumstances exceptions may be made. If you know of any events in your life during this semester that could require that you miss class, please speak to me as soon as possible.

Aside from regular attendance and participation in class, your success in this class can be enhanced by reading assignments before they are discussed in class to familiarize yourself with terms. As soon as possible after class, review your class notes to be sure you understood and properly documented what was said.