



Econ 3200-070
Spring Semester 2017
Tuesday 6:00 PM – 9:00 PM; Sandy 110

Instructor: Taeyoung Lee
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Office Hours: TBA
Office Location: TBA

Reading Materials

Money, Banking, and Financial Markets, 5e by Steven Cecchetti and Kermit L. Schoenholtz, McGraw-Hill.
(Required)

Course Description from the University Catalogue

This course examines monetary and financial instruments, institutions, and markets from the perspectives of theory, practice, and policy. The major sections of the course are the history and evolution of the monetary and financial system, the modern financial system and banking money and finance in macroeconomic theory, and the conduct of monetary policy.

Prerequisite: College Algebra, ECON 2010 and ECON 2020 or instructor's consent.

Requirement Designation: Quantitative Intensive BS

Credit hours: 3

Course Objective and Outcomes

The primary objective of this course is to learn the economic rationale behind financial instruments, banking, and central banking.

By the end of this course, you will be able to evaluate and understand financial instruments, banking, and central banking not only as they are now but also as you may face them in the future.

University Policies

- 1. *The Americans with Disabilities Act.*** The University of Utah seeks to provide equal access to its programs, services, and activities for people with disabilities. If you will need accommodations in this class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, (801) 581-5020. CDS will work with you and the instructor to make arrangements for accommodations. All written information in this course can be made available in an alternative format with prior notification to the Center for Disability Services.
- 2. *Addressing Sexual Misconduct.*** Title IX makes it clear that violence and harassment based on sex and gender (which Includes sexual orientation and gender identity/expression) is a civil rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other

protected categories such as race, national origin, color, religion, age, status as a person with a disability, veteran's status or genetic information. If you or someone you know has been harassed or assaulted, you are encouraged to report it to the Title IX Coordinator in the Office of Equal Opportunity and Affirmative Action, 135 Park Building, 801-581-8365, or the Office of the Dean of Students, 270 Union Building, 801-581-7066. For support and confidential consultation, contact the Center for Student Wellness, 426 SSB, 801-581-7776. To report to the police, contact the Department of Public Safety, 801-585-2677(COPS).

Expectations and Course Policies

Teaching will mainly consist of lecture and discussions. Each week you are expected to check Canvas for lecture slides, take-home quizzes, assignments, and announcements.

Please read the textbook before they are covered in class.

Attendance & Punctuality: Please be on time. Each attendance will be counted as one point and added toward your attendance grade, up to 10 points (10% of the total grade). This means that you are allowed three absences during the semester since there are thirteen class meetings including two midterm days. You should save them for illnesses and emergencies.

Participation: Class participation is an essential part of your responsibility. Come prepared so that you can actively participate in class discussions.

Cheating: Turning in work that is not your own is an act of cheating. Any act of cheating will result in a failing grade (zero points) on the exam, quiz, or assignment. Any subsequent act of cheating will result in a failing grade for the course.

Course Webpage: Canvas

Grading Policy

1. Assignments and take-home quizzes (20%)
2. Two midterms (40%)
3. Final exam (30%)
4. Attendance (10%)

All students are required to take exams as scheduled. No early or late exams will be given.

Letter grades will be primarily based on the total percentage earned from the three exams, take-home quizzes, assignments, and attendance. However, your preparedness and class participation may positively affect your final letter grade.

Topics

Part I. Interest rates, Financial Instruments, and Financial Markets

Chapter 4. Future Value, Present Value, and Interest Rates

Chapter 5. Understanding Risk

Chapter 6. Bonds, Bond Prices, and the Determination of Interest Rates

Chapter 7. The Risk and Term Structure of Interest Rates

Part II. Financial Institutions

Chapter 11. The Economics of Financial Intermediation

Chapter 12. Depository Institutions: Banks and Bank Management

Part III. Central Banks, Monetary Policy, and Financial Stability

Chapter 15. Central Banks in the World Today

Chapter 16. The Structure of Central Bank: The Federal Reserve

Chapter 17. The Central Bank Balance Sheet and the Money Supply Process

Chapter 18. Monetary Policy: Stabilizing the Domestic Economy

If time allows, the following topics will also be covered:

Part IV. Modern Monetary Economics

Chapter 20. Money Growth, Money Demand, and Modern Monetary Policy

Chapter 21. Output, Inflation, and Monetary Policy

***Note:** This syllabus is meant to serve as an outline and guide for the course. Please note that I may modify it with reasonable notice to you. I may also modify the topics to be covered in order to accommodate the needs of the class. Any changes will be announced in class and posted on Canvas under Announcements.*