

# Econ 3200-001: Money and Banking (QI)- Syllabus

BU C 105

TTH 9:00AM-12PM

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Office Hours:  
Before and after class and by  
Appointment: Email or talk to me  
after class to set up a time  
convenient for you.

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**Required Texts:** M. Burton & B. Brown, *The Financial System and the Economy*.  
Y. Smith, *Econned. How Unenlightened Self-Interest Undermined Democracy  
and Corrupted Capitalism*.

**Course Description:** The objective of this quantitative intensive course is to provide a basic understanding of the monetary and financial system in an advanced market economy such as that of the US. The class begins with a discussion of what financial intermediation means and goes on to trace its historical evolution since the Great Depression. The second part of class focuses on the evolution of financial deregulation after 1980 leading to the current financial crisis. The class ends with a discussion of challenges of economic policy in the context of globalization and financial crisis.

## **Learning Objectives- By the end of the semester you will be able to:**

- Recognize key aspects of Central Banking and functions of the US financial system.
- Explain the evolution of financial intermediation in the economy.
- Integrate knowledge of banking system and forms/uses of money from two eras into a cohesive narrative.
- Detect and point out problems and weaknesses within the financial system along with inherent difficulties to fixing them.
- Have developed a proposal to solve a current domestic or global financial problem.

## **Requirements and Grading:**

Midterm exam:	25%
Cumulative final exam:	30%
Quizzes (weekly):	20%
Research Project/Presentation	15%
Group Activities, Assignments and Participation:	10%.

- List of films to be reviewed will be provided separately. All videos are accessible online through the Marriott Library.
- Assignments will vary but primarily focus on important subjects from the text and lectures. Though these will be graded they are primarily meant to prepare you for exams. These will be due prior to each exam
- Research Project/Presentation- Groups of 2-3 will create and find a research project extending a comparative question/subject or related field from the film review or money and banking. This aspect of the course will be finalized as class numbers form.
- Quizzes (4) will be given to check for reading and class comprehension. The best way to prepare for these is to study the suggested assignment questions. Quizzes will be vary between in class and online via canvas.

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*COURSE OUTLINE-Tentative*

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<u>Week</u>	<u>Topics</u>	<u>Reading</u>	
1	Introduction	Chps. 1, 2	5/13
	Overview	Chps. 3, 4	Quiz 1 5/15
2	Asset Prices & Interest Rates	Chps. 5, 6	YS Chps. 3,4 5/20
	Financial Intermediaries	Chps. 7, 8	Quiz 2 5/22
		Possibly Fed Trip	5/23
3	Commercial Banking and Financial Innovation	Chps. 9, 10	YS Chps. 5 5/27
	<b>Midterm 1</b>		<b>5/29</b>
4	Financial Instability and Regulation	Chps. 11, 12	6/3
	Financial Markets – I	Chps. 13, 14	6/5
5	Financial Markets and Deregulation	Chps. 15, 16	YS Chps. 8, 9 6/10

International Financial System

Chps. 17, 18

6/12

6

Group Presentation  
(If time permits, Money Supply  
Process and Monetary Equilibrium)

Chps. 19 – 20

**Final**

**6/19**

*University of Utah Grading Scale*

Grading Scale		
<u>Letter Scale</u>	<u>4-Point Scale</u>	<u>Range Scale</u>
A	4	94%-100%
A-	3.7	90%-93.9%
B+	3.3	87%-89.9%
B	3	84%-86.9%
B-	2.7	80%-83.9%
C+	2.3	77%-79.9%
C	2	74%-76.9%
C-	1.7	70%-73.9%
D+	1.3	67%-69.9%
D	1	64%-66.9%
D-	0.7	60%-63.9%
E	0	0%-59.9%

***Ground Rules and Class Policies:***

1. Come to class on time and participate.
2. Read and study the material in advance before the lecture. Come with questions.
3. I will use Canvas for announcements, homework assignments, posting extra readings etc. but it is not a substitute to attending class.
4. Use of electronics should be for classroom purposes. We may use a program such as Socrative.com
5. Students should speak with instructor *in advance* to request special consideration in the case of some extenuating circumstance that prevents their taking an exam or submitting an assignment at the scheduled time. Exams may only be taken the day indicated in the course schedule.
6. Collusion and Cheating: Cheating in homework assignments or exams and other types of academic misconduct will be dealt with in accordance with the University regulations. For full details on procedures and penalties, see: <http://www.admin.utah.edu/ppmanual/8/8-10.html#SECTION%20V>. Punishments can be severe, so don't do it. Enough said.
7. Don't believe what you read or hear in this class. Learn the information and critically assess it.

***Disabilities:***

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 the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

**This syllabus is not a binding legal contract. The instructor may modify it when the student is given reasonable notice of the modification.**

Movie Links – copy and paste these into your browser (These may not work for chrome but function for both Firefox and Explorer). We will watch most of these in class. However what we do not finish is your responsibility to view and come with questions.

The Road to Rock Bottom

<http://stream.lib.utah.edu/index.php?c=details&id=7585>

"Surviving the Bottom Line" with Hedrick Smith.

Running with the Bulls

<http://stream.lib.utah.edu/index.php?c=details&id=1060>

Mind Over Money

<http://digital.films.com.ezproxy.lib.utah.edu/PortalPlaylists.aspx?aid=6296&xtid=44440>

"Money, Power, and Wall Street." – 4 episodes

<http://www.pbs.org/wgbh/pages/frontline/money-power-wall-street/>

"To Catch a Trader"

<http://www.pbs.org/wgbh/pages/frontline/to-catch-a-trader/>

"Why We Shouldn't Trust Markets with Our Civic Life"

[http://www.ted.com/talks/michael\\_sandel\\_why\\_we\\_shouldn\\_t\\_trust\\_markets\\_with\\_our\\_civic\\_life](http://www.ted.com/talks/michael_sandel_why_we_shouldn_t_trust_markets_with_our_civic_life)

### **Additional but not required or viewed in class**

New Deal/New York

<http://stream.lib.utah.edu/index.php?c=details&id=7586>

"Inside Job"

[http://www.filmsforaction.org/watch/inside\\_job\\_2010/](http://www.filmsforaction.org/watch/inside_job_2010/)

### **Potential Research/Presentation Topics:**

- Why were early attempts at central banking in the U.S. unsuccessful?
- Should the Federal Reserve be reformed to be a more democratic (or more independent) institution?
- Should the U.S. Congress provide additional funding to the IMF to bail out economies suffering from financial crises?
- Was fraud the primary cause of the Indonesian currency crisis?
- How has a particular financial institution changed the way it does business following its acquisition by another company? What does this imply about the effects of bank mergers?
- Describe the history, sources and uses of funds, market structure, marketing strategy, and political concerns of a local financial institution.
- the road to a single continental currency, U.S.-Mexico-Canada vs. Euro-land (or either of these or the US alone)
- the financial system in the Great Depression and its resulting reforms
- the Mexican financial crisis
- the Asian financial crisis
- the subprime mortgage crisis of 2007-2008
- the changing role of the International Monetary Fund (IMF)
- Fifty years is enough: the IMF and World Bank should be eliminated
- the causes and consequences of bank mergers
- Dodd Frank and other attempts at financial regulation
- European Debt Crisis and Currency unions