

SYLLABUS
MONEY, BANKING AND FINANCIAL MARKETS
06E:117

Fall 2005

Time: Tuesdays - 6:30-9:00

Place: 125 TH

Instructor: Felicia Ionescu

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Office Hours: T 5:00-6:00 p.m.

Department of Economics Office:

Office: W210 PBB

Phone: 335-0829

Web Page:

<http://icon.uiowa.edu/index.shtml>

For help: ITS Help Desk, (319) 384 4357

Email: its-helpdesk@uiowa.edu

Check this page for access to an updated syllabus, lecture notes, information about upcoming exams, problem sets, useful links and special announcements.

Course Description:

This course introduces students to the analysis of financial markets and institutions, monetary policy and the role of money in economic fluctuations. Topics covered will include: the nature and behavior of interest rates, portfolio choice, financial derivatives and risk hedging strategies, the nature of banks and the banking industry, banking regulation, the tools and conduct of monetary policy, the role of money in economic fluctuations and of monetary policy in stabilizing such fluctuations.

Prerequisites:

Students are expected to have an understanding of the material covered in 06E:001 and 06E:002.

Textbook:

The Economics of Money, Banking and Financial Markets, 7th ed., by Frederic Mishkin, Addison-Wesley Publishers, 2004. You can find it at the University Book Store.

Reading of the financial press, e.g. The Economist, Wall Street Journal, is strongly encouraged.

The basic text is Mishkin. Its the market leader for money and banking courses. Its great on definitions and topical events, its less good on the framework thing. I organise the course around Mishkin, but my treatment of topics in class is often different from Mishkin's. Reading Mishkin's book does not substitute for the lectures, but it does complement them in important ways. When my treatment is different for Mishkin's, I will often give lecture notes.

Attendance, Homework, Exams:

Students are expected to attend class, read assigned sections of the text, complete and submit 4 problem sets, sit for one midterm examination and a final examination.

Assignments represent 32% of the final grade (8% each), the midterm 33% and the final exam 35%. Homeworks will usually be posted ten days before the due date to give you ample time to work and allow you to ask homework questions in the meeting preceding the dead line. Both the midterm and the final will have questions similar to those in the homework and problems solved in class. For the relevant homework and exams dates, please refer to the schedule.

Grades

The grades will be given following the collegiate grading curve: the top 18% A's, the next 36% B's, the next 39% C s. The remainder of 7% will get D's and F's. I reserve the right to vary around the curve if the overall class performance is particularly well or poorly. Pluses and minuses will be given.

Grades of I will only be given in cases approved by the instructor, following University guidelines. All incompletes must be discussed prior to the final exam. Grades and exam scores will be posted on the web page.

Makeups:

There will be NO makeups for the homework assignments. Assignments are due AT THE BEGINNING of the lecture on the dates indicated on the course schedule. NO late homeworks are accepted.

Re-takes for the Midterm and Final will only be given for an excused absence approved in advance according to U.I. policy.

Academic conduct:

This course is given by the Tippie College of Business. This means that class policies on matters such as requirements, grading, and sanctions for academic dishonesty are governed by the Tippie College of Business.

However, it seems prudent to clarify in advance the policy on cheating. I will assume that no student will submit work which is not his or her own. Any use of cell phones during the exams is prohibited. The violation of this policy will be considered academic misconduct. If I determine that any assignment was not written solely by the student whose identification number appears on the project or any student is caught cheating on an examination, the student's semester grade will receive a zero (0) for the project and may

receive an F for the class. All incidents of cheating will be reported to the department chair and the appropriate deans. (e.g. the Associate Dean for the Undergraduate Program in the College of Business or Liberal Arts & Science). The student may be placed on disciplinary probation for the remainder of her or his undergraduate work at the University of Iowa.

The decision of the instructor may be appealed to the department chair, the relevant Dean for Undergraduate Program, the Collegiate Dean, the Dean of Students, and so on in accordance with University Policy. Since your professor is the Associate Dean of the Undergraduate Program, students in the College of Business may appeal to Robert Forsythe, the Senior Associate Dean of the College. The Honor Code for the Tippie College of Business will determine the appropriate appeal process. The Honor Code may be found at <http://www.biz.uiowa.edu/upo/honorcode.html>

Policy on Student Complaints Concerning Faculty Actions:

You have the right to adjudication of any complaints you have about classroom activities or instructor actions. If you have a complaint or concern that you do not feel can be or has been addressed adequately by the instructor, you should take the matter up with the departmental executive officer of the Department of Economics (Professor Beth Ingram, W210 PBB). If you are not satisfied after speaking to the DEO, you should take your concern to the Dean's Office (C120 PBB).

Special arrangements:

I would like to hear from anyone who has a disability that may require some modification of seating, testing, or other class requirements so that appropriate arrangements can be made. Similarly if you have any emergency medical information about which I should know, or if you need special arrangements in the event the building must be evacuated, please let me know. Please see me after class hours or during my scheduled office hours or schedule an appointment. I would also remind you that the Office of Student Disability Services is available to assist you.

Adds and drops:

Students wishing to add or drop this course after the official deadline must receive the approval of the Dean of the Tippie College of Business. Details of the University policy of cross enrollments may be found at <http://www.uiowa.edu/~provost/deos/crossenroll.doc>

Miscellaneous:

If you have a cell phone or pager, please turn it off at the beginning of class.