

Brigham Young University
Economics 253 - Money & Banking
Section 1 Ref# 1586
Fall Semester 1998

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Required Text (BYU Bookstore):

Mishkin, *The Economics of Money, Banking, and Financial Markets*, 5th ed., Harper-Collins.

Course Web Site:

Information including some handouts and homework assignments are available at the course's web site which can be found by going to <http://fhss.byu.edu/econ/Phillips/> and following the links.

Lectures: TTh 3:00 - 4:15 p.m. 262 SWKT

Lectures will be used to discuss new ideas and concepts. Read the assignments from the reading list **before** each lecture. You should plan on attending every lecture, but no roll will be taken. Note that homework assignments will be collected at the beginning of some lectures and on these days **you should not be late**.

Grading will be on a curve with the following weights:

Homework	10%
Midterm #1	25%
Midterm #2	25%
Final	40%

Homework:

A total of 12 homework assignments will be collected. They will be due promptly at the beginning of class on Thursdays. **Homework that is turned in late will be scored as a zero**, but will be graded to give you feedback on how well you understand the material. Your homework grade will be based on your ten highest scores – I will throw out your two lowest scores. Cooperation on homework assignments is not only permitted, it is encouraged.

Midterm Exams:

Two midterm exams will be given on **Fridays & Saturdays** in the Testing Center during regular hours. The first will be on **October 2nd & 3rd** and will cover chapters 1-8. The second will be on **November 13th & 14th** and will cover chapters 9-21. Both midterms are closed book & closed notes. They will consist of multiple choice, short answer & longer analysis questions.

Final Exam:

The final will be given **all day in the testing center on Tuesday & Wednesday, December 16th & 17th**. The final will be comprehensive but will emphasize the last few chapters more heavily than the others. The final will be closed book & closed notes and structured similarly to the midterms.

Schedule of Topics

Date	Day	Topic	Readings	Due
9/1	T	Introduction		
9/3	Th	The Financial System	chs. 1-2	
9/8	T	Nature of Money	ch. 3	
9/10	Th	Interest Rates	ch. 4	HW1
9/15	T	Portfolio Choice	ch. 5	
9/17	Th	Interest Rate Behavior	ch. 6	HW2
9/22	T	Interest Rate Behavior, cont'd	ch. 7	
9/24	Th	Foreign Exchange	ch. 8	HW3
9/29	T	Financial Intermediation	ch. 9	
10/1	Th	The Banking Industry	ch. 10	HW4
10/2-3	F-S	First Midterm all day in Testing Center		MIDTERM 1
10/6	T	The Banking Industry, cont'd	ch. 11	
10/8	Th	Bank Regulation	ch. 12	HW5
10/13	T	Nonbank Institutions	ch. 13	
10/15	Th	Financial Derivatives	ch. 14	HW6
10/20	T	The Federal Reserve System	ch. 15	
10/22	Th	Creation of Money	ch. 16	HW7
10/27	T	Determinants of Money Supply	ch. 17	
10/29	Th	Tools of Monetary Policy	ch. 18	HW8
11/3	T	Goals & Targets	ch. 19	
11/5	Th	International Financial System	ch. 20	HW9
11/10	T	Demand for Money	ch. 21	
11/12	Th	Keynesianism & IS/LM	ch. 22	HW10
11/13-14	F-S	Second Midterm all day in Testing Center		MIDTERM 2
11/17	T	Monetarism & IS/LM	ch. 23	
11/19	Th	Aggregate Demand & Supply	ch. 24	HW11
11/24	T	Does Money Matter?	ch. 25	
11/26	Th	Thanksgiving Holiday		
12/1	T	Money & Inflation	ch. 26	
12/3	Th	Rational Expectations	ch. 27	HW12
12/8	T	Rational Expectations, cont'd	ch. 28	
12/10	Th	Friday Classes		
12/16-17	W-Th	Final Exam all day in Testing Center		FINAL