

Monetary Theory and Banking

Fall 2022

Professor: Dr. Francisco J Pallares  
Office: Business Administration

Class Meeting: Briscoe Admin 317; M 6 -8:50 PM

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Office Hours: Tuesdays 9 AM-12 PM and 2PM to 5 PM  
Or by appointment

Course Syllabus

**Textbook:** The Economics of Money, Banking, and Financial Markets, 11th Edition by Frederic Mishkin, Columbia University, 2013. Pearson. ISBN 9780133836790

1. Course Overview

This course is designed to provide a one-term overview (introduction) of money and banking economics. We will initially include the discussions of interest rates, the concept of money, exchange rates, and monetary policy. The course will cover the basics of banking structures and function, the Federal Reserve, determinants of the money supply, fiscal policy and monetary policy, and some international economics topics.

2. Teaching Method:

This is an online class, there is a great deal of reading in the course; it is imperative that students do not fall behind. Readings, Individual Exercises and Chapter Discussions will form the basis of study. The book, The Economics of Money, Banking, and Financial Markets by Mishkin, 11th edition, will serve as the textbook. Typically, with appropriate effort, students can comprehend much of the textbook material without substantial input by the instructor. Most of our focus will be spent applying the theory and concepts to problems through open, interactive, student-to-student, student-to-instructor discussions. Therefore, the method of instruction/learning will be through reading, discussions with the instructor and fellow students, and solving problems individually. With the objective of establishing as dynamic and effective a learning environment as possible in an online course, there must be a commitment on the part of students to prepare and share analysis, thoughts, and questions with classmates. Upon successful completion of the course, the student should be able to display an understanding of news relating to monetary policies reported in such publications as The Wall Street Journal. Students will also become familiarized with the structure and function of Commercial Banks, The Federal Reserve, and other financial institutions such as the New York Stock Exchange.

3. Course Grade

There will be a total of 2 exams in the semester (1 midterm and 1 final; the final will be on the second half of the course—non-comprehensive). Both exams are open book, mandatory, timed, and will be made available online for a whole week. Besides this, there are going to be 6 problem sets **ALL PROBLEM SETS ARE MANDATORY** and 6 discussions **ALL DISCUSSIONS ARE MANDATORY** throughout the semester.

There will be a total of 2 regular exams in the semester:

2 Exams...25% each (25%+25%=50%) (both mandatory)

6 Problem Sets... 4% each (4% X 6 = 24%) (All Mandatory)

7 Discussions... 4% each, except for the 1<sup>st</sup> discussion which is just an introduction at 2% (4% X 6 = 24% + introduction=2%; Overall discussions = 26%) (All Mandatory)

2 Regular exams=	50%
6 Problem Sets=	24%
7 Discussions=	<u>26%</u>
Total	100%

The grading scale follows:

A... 100%-90%

B... 89%-80%

C... 79%-70%

D... 69%-60%

F... 59% and below

- There are NO extra credit opportunities.
- **No makeup Problem Set/Exams/Discussions are allowed or offered or accepted, except for the University Excused Absences. If an exam date is in conflict with your schedule, please let me know ahead of time to place the Test/Problem Set/Discussion –BEFORE- the date.**
- **All discussions and problem sets will be due on the Saturday of each week at midnight. You'll have an entire week to submit it, therefore plan ahead of time.**
- **Problem Sets** consist of, questions and problems created by the instructor, but also sometimes found at the end of each chapter in the textbook used in this course. Please look at the calendar to see when each of these assignments is due each week, they will always have to be submitted before Saturday at midnight. Each of these six assignments is worth a maximum of 4% of your final grade, which in total is worth 24% of your overall grade. Also, each Wednesday, students will have a four-day (Wednesday through Saturday) access window to suggested answers to the previous Sunday's Chapter Exercises.
- **Discussions** focus on a key topic, concept, or idea from a chapter. Please look at the calendar to see when each of these discussions is due, they will always have to be submitted before Saturday at midnight. Participation in each of these seven weekly discussions is worth 4% of the final grade, except for the 1<sup>st</sup> discussion, which is simply an introduction worth 2%, the total amount for discussions is 26% of the final grade. **In order to receive full grade on discussions, it is necessary to participate and contribute with material of substance in at least 2 more classmate's responses.**
- **Both the Midterm Exam and the Final Exam** will be in multiple-choice format and each is weighted at 25% of your overall grade. Specific study and review materials for these exams will be made available as exam dates approach. The Midterm will cover the first half of our course, while the final will cover the second half of our course.

#### Rubric on Problem Sets and Discussions

<i>Rubric for Problem Sets</i>				
<i>Category</i>	<b>4 %</b>	<b>3 %</b>	<b>2 %</b>	<b>1 %</b>
<b><i>Completion</i></b>	Work is 100% complete. The student attempted every problem.	Work is about 75% complete.	Works is about 50% complete.	Work is about 25% complete.
<b><i>Student Work</i></b>	Student work is thorough and clear. All relevant diagrams or explanations are included, Answers demonstrate sophisticated understanding of the concepts.	Student shows a moderate amount of work. Not all relevant diagrams or explanations are included. Answers demonstrate adequate understanding of concepts.	Student shows a marginal amount of work. Relevant diagrams or explanations are inadequate. Answers demonstrate weak understanding of concepts.	Student shows some work but it is grossly inadequate. Relevant diagrams or explanations are not included. Answers demonstrate minimum understanding of concepts.
<b><i>Accuracy</i></b>	Answers are essentially 100% accurate.	Answers are approximately 75% accurate.	Answers are approximately 50% accurate.	Answers are approximately 25% accurate.

<i>Rubric for Discussion Participation</i>			
<i>Category</i>	<b>4 - 5 %</b>	<b>2 - 3 %</b>	<b>1 %</b>
<i>Participation</i>	Student participated in the discussion two or more times.	Student participated in the discussion at least once.	Student logged into the discussion but did not participate.
<i>Contribution</i>	Original ideas and/or constructive comments/questions were contributed to the discussion.	Useful comments or questions were contributed to the discussion.	There was little substantive contribution to the discussion.

1. Official Communications

Official outside-of-class-meeting communications will be delivered to the students via their SRSU e-mail. Students are responsible to check their e-mail daily. Not having checked messages is not a valid excuse for missed course work. Communications can also be done by appointment. IT support regarding blackboard is listed in the image below.

**Who should I contact?**

<p><b>Online Support Desk</b></p> <p>☎ 888.837.6055 ✉ <a href="mailto:blackboardsupport@sulross.edu">blackboardsupport@sulross.edu</a></p> <p><b>Available: 24/7</b></p> <ul style="list-style-type: none"> <li>• Logging into Blackboard</li> <li>• Questions about Blackboard tools/software</li> <li>• Trouble with tests/quizzes/assignments</li> <li>• Error messages on Blackboard</li> <li>• Online course video problems</li> </ul>	<p><b>Lobo Technology Assistance Center (LTAC)</b></p> <p>☎ 888.837.2882 ✉ <a href="mailto:techassist@sulross.edu">techassist@sulross.edu</a></p> <p><b>Available: Monday-Friday 8 a.m. - 5 p.m.</b></p> <ul style="list-style-type: none"> <li>• Logging into your mySRSU/Banner/SRSU email</li> <li>• Campus computer, computer lab, or campus Wi-Fi issues</li> <li>• Security concerns with your SRSU or VPN account</li> <li>• Questions about Office 365 or OneDrive</li> </ul>
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2. Policy on Academic Misconduct

(Please refer to [https://d1mg6ms3faonj.cloudfront.net/wp-content/uploads/2020/09/student\\_handbook\\_2019-2020\\_revision\\_12.7.2020.pdf](https://d1mg6ms3faonj.cloudfront.net/wp-content/uploads/2020/09/student_handbook_2019-2020_revision_12.7.2020.pdf) )

Students should familiarize themselves with the SRSU Student Code of Conduct. Cheating, plagiarism, and/or other form of academic misconduct are **NOT TOLERATED** in class. Any student found guilty of such misconduct will be subject to disciplinary actions. Including, but not limited to, **Zero** score on his/her class activities.

3. Special Needs

Sul Ross State University is committed to equal access in compliance with the Americans with Disabilities Act of 1973. It is the student's responsibility to initiate a request for accessibility services. Students seeking accessibility services must contact Mary Schwartz, M. Ed., L.P.C., in Counseling and Accessibility Services, Ferguson Hall, Room 112. The mailing address is P.O. Box C-122, Sul Ross State University, Alpine, Texas 79832. Telephone: 432-837-8691. E-mail: [mschwartz@sulross.edu](mailto:mschwartz@sulross.edu)  
All medical information is treated confidentially

#### 4. Course Outline and Tentative Schedule

(Please remember that **this schedule is tentative** and it can be subject to changes, if appropriate changes are necessary they will be announced in class).

Week	Weekly Saturday	What's Due?	Topic	Text Material
1	27-Aug	Discussion 1	Syllabus & Why Study Money, Banking, and Financial Markets?	Ch. 1
2	3-Sep	PS 1	An Overview of the Financial System	Ch. 2
3	10-Sep	Discussion 2	What is Money?***I will be uploading a video for this class**	Ch. 3
4	17-Sep	PS 2	The Meaning of Interest Rates	Ch. 4
5	24-Sep	Discussion 3	The Behavior of Interest Rates	Ch. 5
6	1-Oct	PS 3	The Risk and Term Structure of interest Rates	Ch. 6
7	8-Oct	Discussion 4	Banking and the Management of Financial Institutions	Ch. 9
8	15-Oct	*****	<b>Midterm Exam Week (Ch. 1, 2, 3, 4, 5, 6, and 9)</b>	
9	22-Oct	PS 4	Banking Industry: Structure and Competition	Ch. 11
10	29-Oct	Discussion 5	Central Banks and the Federal Reserve System	Ch. 13
11	5-Nov	PS 5	The Money Supply Process	Ch. 14
12	12-Nov	Discussion 6	Tools of Monetary Policy / (Documentary about Great Recession of 2008)	Ch. 15
13	19-Nov	PS 6	The Conduct of monetary Policy: Strategy and Tactics	Ch. 16
14	<b>26-Nov</b>	***	Thanksgiving Day*** No Classes	
15	3-Dec	Discussion 7	The Foreign Exchange Market	Ch. 17
16	<b>10-Dec</b>		<b>Final Exam Week (Ch. 11, 13, 14, 15, 16, and 17)</b>	

**-Last day to withdraw with a "W" is November 14<sup>th</sup>**

**Final Disclaimer:** I reserve the right to modify this syllabus with one week notice if I view doing so to be in the best interest of the educational process. The class will be notified of changes as soon as practical. Nothing in this syllabus is meant to conflict with the rules and regulations of SRSU, the college of business, nor the Department of Economics.