

ECO 5305. Monetary Economics

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Credit Hours/Time Dedicated (per week): 3 credits/30 hours of time commitment (class time, reading, quizzes, studying)

Classroom/Time: Online course
Prerequisites: (Exempted)

Required Class Materials

We are going to use an e-book and the **MyLab** platform from Pearson. The textbook is:

Mishkin, Frederick. (2022). The Economics of Money, Banking, and Financial Markets. 13th Edition. Pearson.

Students must buy the E-Book and MyLab access through the link in Blackboard (click on MyLab Registration).

Course Description

Economics is about the way society allocates resources to produce goods and services, which satisfy our basic needs like food and shelter, as well as our wants like leisure, work or travel. This is known as the economic problem, which has been addressed by humans since we came into existence. Economists have studied how different societies throughout history have solved this problem. This has led to the formation of the field of Economics. Since the industrial revolution, the world has been changing rapidly and the economy and economic relationships among actors have become more complex. However, Economics has also been evolving swiftly as well, resulting in various fields of specialization that stem from the two main branches of Economics: Macroeconomics and Microeconomics.

Our course is a specialized field within Macroeconomics that aims to provide students with an understanding of the functions of money, the interest rate, and the financial system, its relationship with the real economy, and how monetary policy can be utilized to encourage stability and growth. The course will cover the fundamental principles of money and banking including the value of time, the compensation required for risk, the need for precise information

to make decisions, the optimal resource allocation in a free market economy, and the fact that a stable economy can improve the quality of life for a nation's citizens.

Learning Outcomes

1. The student will explain the role of the financial system, its structure, and its relationship with the real economy.
2. Students will calculate the present value of a future stream of payments.
3. The student will compute the price of bonds and other financial instruments.
4. Students will distinguish the Federal Reserve System different policy instruments.
5. The student will explain how the Federal Reserve System uses monetary policy to keep price stability and promote sustained and stable economic growth.
6. Students will differentiate between nominal and real exchange rates
7. The student would be able to explain how prices and inflation affect exchange rates in the long run.
8. Students should be able to discuss government intervention in foreign exchange markets.
9. The student will be able to debate over the importance of the value of time and information for decision-making
10. Students will explain the meaning of risk and how risks and compensation are related.

Teaching Methods/Couse Format

This is an online course and students are expected to complete all the assigned readings, pre-class activities, and homework before their respective deadlines.

Grading

2 online exams (midterm and final exam)	50% (25% each)
Book reading and quizzes	25%
Homework	25%

Each of the exams covers only the chapters studied during each part of the term (see Course Schedule and Contents). Each exam is composed of a mixture of definitions, multiple choice questions, short answer questions, math problems, and graphs.

All readings and quizzes assigned each week are due on Thursdays (before 11:59 pm CST) and homework are due on Sundays (before 11:59 pm CST). Each assignment is worth 100 points but if you submit it after the deadline you get 50% of your grade. In addition, at the end of the term, I will drop the two lowest scores from reading/quizzes and homework, respectively. This implies that you can skip up to 2 assignments.

Course Schedule and Contents

Chapter(s)	Topic	Chapter reading and quiz deadlines	Homework deadlines
	Getting Started. Read the syllabus and get familiar with both Blackboard and Connect platforms		05/29 th
	Introduction (May 29 th to June 2 nd)		
3	What is money?	06/02	06/02
	First week (June 3 rd to June 9 th)		
4	The meaning of interest rates	06/06	06/09
5	The behavior of interest rates	06/06	06/09
13	Central banks and the Federal Reserve System	06/06	06/09
	Second week (Jun 10 th to June 16 th)		
14	The money supply process	06/13	06/16
16	The conduct of monetary policy: strategy and tactics	06/13	06/16
	Midterm. Chapters: 3, 4, 5, 13, 14, & 16	June 17th	
	Third week (June 17 th to June 23 nd)		
17	The foreign exchange market	06/20	06/23
19	Quantity theory, inflation, and the demand for money	06/20	06/23
	Fourth week (June 24 th to June 30 th)		
20	The IS curve	06/27	06/30
21	The monetary policy and aggregate demand curves	06/27	06/30
22	Aggregate demand and supply analysis	06/27	06/30
	Final exam. Chapters: 17, 19, 20, 21, & 22	July 3rd	

Grading Policies and Procedures

If you find an error in the way you have been graded, please type up a written request for my consideration, and return it together with the problem or exam in question to me. Any exam or problem set grade change must be requested BEFORE THE LAST DAY OF CLASS.

Students who miss an exam please contact me within 24 hours to be eligible to receive a make-up assignment. Prof. Mora has discretion over the composition of any make-up exams.

Grading scale

Percent Range (Final Score)	Letter Grade
100 - 90	A
89 - 89	B
79 - 70	C
69 - 60	D
59 and below	F

Course Expectations

What you should expect from me

1. The instructor will treat each one of you with respect and as an individual with his/her own beliefs, thoughts, and needs.
2. The instructor will provide, when needed, communication with the class through announcements (video and text), email notifications, and virtual office hours.
3. The instructor will respond to emails within 24 hours of receipt during the hours of 9:00 am-6:00 pm, Monday-Friday.
4. The instructor will be available to answer questions from students during virtual office hours.
5. The instructor will grade assignments and projects according to the specific rubric within two weeks of the submission date.
6. The instructor will provide feedback to journals and discussion boards as needed every week.
7. The instructor will provide clear and concise instructions on how to complete the online course requirements or any other activity.
8. And, finally, but not less importantly, the instructor will not change the deadline for the assignments unless something of major force happens.

My expectations from students

1. Positive, proactive, or successful students should be diligent in using both oral and written communication showing respect for each one individual's opinion.
2. Positive, proactive, or successful students will familiarize themselves with the course syllabus, policies, assessments, evaluation, grading criteria, and course design.
3. Positive, proactive, or successful students will complete all coursework on the assigned due date.
4. Positive, proactive, or successful students will engage in the course, with their peers, and the instructor, and with open communication and active participation.

5. Students should respond to instructor communication requests regarding course progress and general inquiries on time.
6. Positive, proactive, or successful students will not plagiarize the work of others, or use the work of their peers and claim it as their own.
7. Positive, proactive, or successful students will use the American Psychological Association (APA) system of referencing when submitting a paper.
8. Positive, proactive, or successful students will pre-plan for testing situations and ensure they can access the internet to complete the exam during its assigned date and time.
9. Students will be proactive and resourceful to problem solve in case of internet or technical issues.

Sul Ross State University Important Information

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.



Or by clicking at <https://www.sulross.edu/bb/>.

2. Policy on Academic Misconduct

Please refer to:

https://d1mg6ms3faoonj.cloudfront.net/wpcontent/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. **All medical information is treated confidentially.**