

ECON 2048 MONEY AND BANKING (3 credit hours)

Elmira College

SPRING 2025

Required Text:

Frederic Mishkin (2019). *The Economics of Money, Banking and Financial Markets* (12th ed.). Pearson.

Supplemental readings will be included to illustrate or expand on textbook readings.

Pre-requisites: ECON 1080 Introduction to Macroeconomics

Course Description

The course is designed to provide students with an overview of the field of money and banking and its significance in the economy. It explores the intricate relationship between money, financial markets, and the macroeconomy. Main topics include money, interest rates, the stock market, banking industry, financial markets, financial Regulation and monetary policy in the economy, etc. At the end of the course, students will understand better the role of money and the financial market in our economy.

Course Objectives and Goals

- Learn about the nature of money, its evolution, and its functions in an economy.
- Understand the structure and operations of the banking system, including commercial banks, central banks, and other financial institutions.
- Be familiar with various financial markets and know how they facilitate the flow of funds in the economy.
- Know the role and functions of central banks in formulating and implementing monetary policy.
- Apply the important theories and concepts to the phenomena observed in real life.

Evaluation of Performance

Your grade will be based upon your performance on exams, assignments, and participation.

Class Participation	10%
5 Assignments	20%
2 Quizzes	20%
2 Group Discussions	10%
Midterm Exam	20%
Final Exam	20%
Total	100%

Grades will be assigned as follows:

A	93% and above	B-	80 - 82%	D+	67 - 69%
A-	90 - 92%	C+	77 - 79%	D	63 - 66%
B+	87 - 89%	C	73 - 76%	D-	60 - 62%
B	83 - 86%	C-	70 - 72%	F	59% or below

Withdrawal Policy: Please see Elmira College Bulletin for information on this policy.

Academic Honesty: Please read the section on Academic Honesty in the [Code of Conduct](#). Briefly, academic dishonesty includes: cheating, fabrication, facilitating academic dishonesty, and plagiarism. Ask if you have any questions on whether something constitutes as academic dishonesty. All work must be original and new. Past assignments from current or other courses will not be accepted. Academic dishonesty will not be tolerated. It will result in zero on the assignment, and a report will be filed with the school. Continued practice will result in failure of the class. Institutional penalties may also apply with repeated acts of academic honesty.

Student Responsibility:

- It is your responsibility to keep track of assignments and due dates.
- You should ask questions concerning assignments and lectures, if you need any clarifications.
- If you are struggling in class, have concerns, and/or unsure about expectations, please stop by during office hours or make an appointment for another time.

Tentative Schedule of Topics

<u>Topic</u>	<u>Materials</u>	<u>Tasks & Evaluations</u>
Introduction: Money and Banking	Chapter 1	
Money and the Financial System	Chapter 2	Assignment 1
Financial Markets	Chapter 3	
Understanding Interest Rates	Chapter 4	
The Risk and Term Structure of Interest Rates	Chapter 5	Quiz 1
The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis	Chapter 6	
Financial Institutions and An Economic Analysis of Financial Structure	Chapter 7	Assignment 2
Financial Crises and the Subprime Meltdown	Chapter 8	
Economic Analysis of Financial Regulation	Chapter 9	Assignment 3
Banking Industry: Structure and Competition	Chapter 10	
Bank Regulation and Financial Stability	Chapter 11	Group Discussion 1
Banking and the Management of Financial Institutions	Chapter 12	
Nonbank Institution	Chapter 13	Midterm Exam
Risk Management with Financial Derivatives	Chapter 14	
Central Banks and the Bank of Canada	Chapter 15	
The Money Supply Process	Chapter 16	Assignment 4
Tools of Monetary Policy	Chapter 17	
The Conduct of Monetary Policy: Strategy and Tactics	Chapter 18	

Financial Instruments and Their Characteristics	Chapter 19	Quiz 2
The Foreign Exchange Market	Chapter 20	
Monetary Theory: The Demand for Money, The ISLM Model	Chapter 21	
Competitive Equilibrium in Financial Markets	Chapter 22	Assignment 5
Aggregate Demand and Supply Analysis	Chapter 23	
Money and Inflation	Chapter 24	Group Discussion 2
Financial Crises: Causes and Consequences	Chapter 25	
Modern Monetary Economics	Chapter 26	Final Exam