

INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE
COURSE SYLLABUS (FALL 2011)

- COURSE:** Money and Banking
ECON-E350-01, T&R 12:00 p.m.–1:15 p.m., KT 249
- INSTRUCTOR:** Dr. Nodir Adilov
Neff 340C
481-6497
adilovn@ipfw.edu
- OFFICE HOURS:** Tuesday and Thursday 10:40-11:40 a.m., or by appointment.
- TEXTBOOK:** Laurence M. Ball, *Money, Banking, and Financial Markets*, Worth Publishers, 1st or 2nd edition, 2009 or 2011.

Additional course materials will be posted on Blackboard/E-learning.
- PREREQUISITES:** Introductory macroeconomics (E202) and instructor permission.

COURSE OBJECTIVES:

The objective of this course is to introduce students to advanced monetary policy and macroeconomics topics. The students will also learn how to apply the course concepts to analyze current macroeconomic situation and how to make policy-oriented presentations and recommendations.

The course provides a unique opportunity for students to participate in the Fed Challenge competition. The Fed Challenge is a prestigious competition held at the Chicago Federal Reserve Bank. This competition asks a team of students to act as monetary policy advisors and to make presentations to a panel of judges made up of economists from well-regarded educational institutions and from the Chicago Fed. The winner of the competition advances to the national Fed Challenge competition held in Washington, D.C.

EXPECTATIONS AND EVALUATION:

There will be homework assignments, team presentations, a midterm, and a final exam. You are expected to attend all classes, to participate in class activities, and to contribute to the Fed Challenge team's preparation. If you cannot attend a class for legitimate reasons, you must notify me in advance. I usually respond to e-mails within 24 hours (except holidays and weekends). Please do not hesitate to ask questions in class and during my office hours.

Selection of the Fed Challenge team

The Department of Economics will select five students who will participate in the Fed Challenge competition. The knowledge of monetary policy is the primary basis for the selection. Even though the regulations of the competition limit the number of team members to five students, it is important to note that all students in class will be fully engaged and will help in the preparation for the competition. All students in class will receive the same grade for the presentation. If the team performs well during the competition, all students will receive extra credit because all students contribute to the success of the team.

In-class presentation

One of the requirements of the course is to make a thirty-minute in-class team presentation overviewing the current state of the economy. The presentation will be followed by a twenty-minute question and answer session. Only students who are not in the Fed Challenge team will make the in-class presentation. Your performance in the presentation will be graded by the Economics Department faculty members, who will attend the presentation. Students will be graded based on the quality of the presentation and on how well they respond to questions.

Exams

The midterm exam is on October 20. The final exam is on December 13, 1-3 p.m. The exams will mostly consist of multiple choice questions and will test students' knowledge of monetary policy and current economic conditions.

Homework

Homework assignments will be posted on blackboard. You are expected to submit homework assignments on time.

Improvement and Effort

Because students have different backgrounds on monetary policy in the beginning of the class, I'll also take into account improvement and effort of each student when calculating the student's the course grade.

Grading

Your performance in class is either graded based on your individual performance (individual grade) or performance of the group (group grade). Presentations are graded based on the performance of the group and each student in class is assigned the same grade.

Your final grade will be determined as follows:

Attendance (Individual grade)	10%
Participation (Individual grade)	10%
Improvement (Individual grade)	10%
Effort/Contribution (Individual grade)	5%
Fed Challenge Team Presentation (Group grade)	15%
Class Presentation (Group grade)	15%
Homework (Individual grade)	10%
Midterm (Individual grade)	10%
Final Exam (Individual grade)	15%

The following grading scale will be applied in this course for determination of final grades:

A+	above 99%
A	94-98%
A-	90-93%
B+	88-89%
B	84-87%
B-	80-83%
C+	78-79%
C	74-77%
C-	70-73%
D+	65-69%
D	60-64%
D-	55-59%
F	below 55%

Extra credit

Based on the team's performance in the Fed Challenge competition, all students in class will receive extra credit according to the schedule below:

- The team places 3rd in the first round of the competition – 3% (Your course grade will improve by 3 percentage points.)
- The team places 2nd in the first round of the competition – 7%
- The team places 1st in the first round and 4th in the second round – 10%
- The team places 1st in the first round and 3rd in the second round – 15%
- The team places 1st in the first round and 2nd in the second round – 20%
- The team places 1st in the first and second rounds and advances to the national competition – 25%

If the team advances to the national competition held in Washington, D.C., additional extra credit points could be earned.

COURSE OUTLINE FOR COVERAGE OF MATERIAL:

The course will cover 10-15 chapters from the textbook. A couple of chapters will be assigned for independent reading. The tentative list of chapters is shown below.

Chapter 1: The Financial System

Chapter 2: Money and Central Banks

Chapter 3: Asset Prices and Interest Rates

Chapter 4: What Determines Interest Rates?

Chapter 5: Securities Markets

Chapter 6: Foreign Exchange Markets

Chapter 11: The Money Supply and Interest Rates

Chapter 12: Short-Run Economic Fluctuations

Chapter 13: Economic Fluctuations, Monetary Policy, and the Financial System

Chapter 14: Inflation and Deflation

Chapter 17: Monetary Policy and Exchange Rates

Chapter 18: Financial Crisis

Important dates

September 13: The Fed Challenge team announced

October 20: Midterm

November 16: The Fed Challenge competition, Chicago Federal Reserve Bank

December 8: In-class presentation

December 13: Final exam

OTHER POLICIES:

Students are expected to be familiar with and adhere to the university policies with regard to academic dishonesty. These policies can be found on

<http://www.ipfw.edu/academics/regulations/honesty.shtml>.

If you have a disability and need assistance, special arrangements can be made to accommodate most needs. Contact the Director of Services for Students with Disabilities (Walb, room 113, telephone number 481-6658), as soon as possible to work out the details. Once the Director has provided you with a letter attesting to your needs for modification, bring the letter to me. For more information, please visit the web site for SSD at <http://www.ipfw.edu/ssd/>.

NOTE: The above-mentioned course policies and course outline are subject to change at the instructor's discretion.