ECON 411/511
MONEY AND BANKING

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University of Colorado
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This course is planned so as to provide you with an understanding of topics and issues in bank behavior and monetary theory/policy. Graded exercises will include two hour exams, a paper and a final exam. The grading weights for this course follow:

1st Exam  February 17th
2nd Exam  April 2nd  Best two worth 30% each--lowest dropped.
Paper  May 7
FINAL EXAM - 40% May 16th

Papers are to be no less than 5 but no more than 10 typed double-spaced pages. Paper topics are to be discussed with me no later than April 6th.

The readings for this course are taken from two sources:
Textbook: Money and Banking; A Market Oriented Approach (1982) by Johnston and Roberts

and


You are encouraged to read the Wall Street Journal regularly as some class discussion will center around articles from this source.

Monetary Theory and Policy

The Supply Side  (16) (2 days)
The Neoclassical Model
Money Market  (15)
Product Market  (17) (2 weeks)
Monetary Policy  (18)
The Keynesian Model
Money Market  (20)
Product Market  (19) (7 days)
Monetary and Fiscal Policies  (21) in the Keynesian System

Exam #1
Inflation and Unemployment  (22) (3 days)
The Conduct of Monetary Policy  (23) (2 days)

Money--Why It's Good; How to Keep a Neat Wallet and Make Change
Definition of the Money Supply  (1) (2 days)
Uses of Money  (2)
Monetary Standards  (4*)
Credit Instruments  (6*) (2 days)
Nonbank Financial Intermediaries  (12)
Why Do Bankers Always Wear Pinstriped Suits?

Commercial Bank Behavior (8 & 9)
"Bank Bond Management: The Maturity Dilemma," (H&B) pp. 45-53 (7 days)
Multiple Expansion of Credit (11)
Federal Reserve and Regulation (10 & 13)

Exam #2

"Problem and Failed Banks, Bank Examinations, and Early Warning Systems: A Summary," (H&B) pp. 509-25 (10 days)
"Can the Central Bank Control the Money Stock?" by, David I Fand.

Why Do We Care About Money Demand and Supply? (Remainder of term)
The Transactions, Speculative and Asset Demand for Money
Stability Issues
Empirical Evidence
Other Selected Topics