This course will introduce you to several aspects of money and banking:

1) The banking industry;
2) Financial decisions and financial markets;
3) The relation between banks and other monetary institutions;
4) The regulation of banks;
5) The management of banks;
6) Control of the money supply;
7) The effect of the money supply on economic activity;
8) The proper way to control the money supply.

I have organized the course around two broad areas. First, a description of the banking industry in relation to itself, government, and the financial market. Second, what is money, how do we control it, and what is its effect on the economy so we understand the best policy to adopt in controlling the money supply.

There is one required text:


There will also be some additional material distributed in class.

Grades will be based on a midterm exam, a final exam and homework assignments, weighted as follows:

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<tbody>
<tr>
<td>Midterm</td>
<td>30%</td>
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<tr>
<td>Final</td>
<td>50%</td>
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<tr>
<td>Homework</td>
<td>20%</td>
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If you are enrolled for graduate credit, please see me concerning additional work necessary for graduate credit.

Exams will be a combination of multiple choice and problem/essay questions. Homework will be taken from the questions at the end of each chapter, with additional assignments distributed in class.
You are responsible for all material covered in reading assignments. Lectures will cover the more difficult material in the textbook. Questions about any aspect in the field of money and banking are welcome.

No Make-Up Exams or Homework will be allowed. If you miss the midterm and have a legitimate excuse you will be required to take an examination covering that material during the final exam period.

The drop date this semester is October 14, 1986. If you have done all course work up to that date, you may withdraw from the course with a "W". Otherwise I will not authorize a withdrawal under any circumstances. I will consider incomplete grades only in cases of extreme hardship AND where you have completed all work in the course with an average grade of "C" or better. If your grade average is below a "C", I will not give an incomplete grade under any circumstances.

COURSE OUTLINE
I. Introduction
   Ch. 1 and Appendix

II. Banking Structure and Regulation
   Ch. 2, 3 and 4

III. Financial Markets and Interest Rates
   Ch. 6, 7, 9 and 10

IV. Bank Management
    Ch. 11, 12 and 13

V. Money Creation
   Ch. 14 and 15

VI. Central Banking
    Ch. 16, 17, 18 and 19

VII. Monetary Theory
    Ch. 20 through 26

VIII. Monetary Policy
    Ch. 28 and 29