University of Colorado at Boulder  
Department of Economics  

ECON 4111 - Money and Banking Systems  
Spring 1996

Professor:  Ken Beauchemin  
Office:  4B Economics, 2-2651  
Office Hours:  Tu 3:30-4:30, Th 9:30-10:30


A subscription to the *Wall Street Journal* is recommended but not required.

**Course Objective**

This course studies the economic behavior of individuals and various institutions in financial markets. Our primary goal is to apply economic principles to understand these market settings. The course also seeks to understand the role of government in financial markets and its influence over macroeconomic outcomes. As a practical endeavor, we will learn to interpret and evaluate the daily reporting of financial market events.

**Course Requirements**

The requirements for the course consist of two midterms, a comprehensive final, and a course project. The midterms will be held in class on Thursday, February 22th and Thursday, April 11th. The final exam is scheduled by the College of Arts and Sciences for Wednesday, May 15th from 11:30 AM to 2:30 PM. All students must write the examinations at the scheduled time — no exceptions.

A course project is also required. In brief, each student must write a five-page “executive summary” of developments in the world financial community during one of three consecutive weeks, beginning with the week of Monday, April 8th. Each student is free to choose the week they wish to analyze. The projects are due in class on Thursday, May 2nd. Details regarding the content and style of the report are forthcoming.

Each midterm and the course project is individually worth 20 percent of your final grade; the final exam contributes 40 percent. Your final letter grade will be determined by total points earned according to the following scheme: 85-100 points (A), 75-84 (B), 65-74 (C), 55-64 (D), 54 and below (F). Plus and minus grades will be awarded at my discretion.
Course Outline

The course is organized according to the following outline:

I. Introduction and Overview
   Chapters: 1-3

II. Financial Markets
    Chapters: 4-7

III. Banks and Banking
    Chapters: 11, 12*, 13*, 15, 16

IV. The Federal Reserve System
    Chapters: 18-21

V. Money and Economic Activity
    Chapters: 23, 26-30**

* These chapters will not be emphasized in lecture.
** Chapters 29 and 30 as time permits.