

# Economics 3229, Sec 1: Money, Banking and Financial Markets Spring 2018

*(Read and retain this syllabus. It's a living document, does not represent a written contract and any changes made will be announced during the lectures)*

Meeting Time Mondays and Wednesdays from 9:00 am to 9:50 am

Meeting Place Waters Aud (Waters Hall 117).

## Course Instructor

Name: George Chikhladze  
Office: 237 Professional Building  
Office Hours: Tuesdays and Thursdays 1:00 – 2:00 or by appointment  
Phone: 884 – 1588.  
Email: [chikhladzeg@missouri.edu](mailto:chikhladzeg@missouri.edu) (best way to contact me)

## Course Overview

Money and banking is an exciting discipline that covers issues of importance in real life. This course provides an overview of the working of the financial and economic system and seeks to provide an understanding of how a financial economy operates. Problems arising from asymmetric information in markets are shown to be of vital importance in appreciating the structure and functioning of the financial system. Research in the areas of money, banking and financial markets is highly active, and deals with issues continuously in the news and the subject of vigorous policy debate. International concerns are also increasingly influencing the direction of discussion on financial economic issues. In the course, emphasis will be given to the role of asymmetric information in financial markets and associated regulatory issues that arise, the fundamentals of interest rates and financial institutions, the money supply process and the conduct of the Federal Reserve, the behavior of exchange rates and the international financial system, and rational expectations and the working of efficient markets.

## Textbook

Frederic Mishkin, *Economics of Money, Banking and Financial Markets Business School Edition*, 4<sup>th</sup> edition, (Pearson, 2016). Having this textbook is required and absolutely essential.

This course is part of our AutoAccess program designed to reduce the cost of course materials for students. You will be able to access the digital content for this course through Canvas on the first day of class automatically. Your student account will be charged for the cost of the digital course material. Through this program the lowest cost content has been sourced. If you choose to opt out of the content, you have until **January 30, 2018**. You will be sent an AutoAccess welcome email that will provide charge amounts, the opt out process and any additional information needed for your AutoAccess courses. If you have questions please call 573-882-7611 or email [AutoAccess@missouri.edu](mailto:AutoAccess@missouri.edu).

### Emergency related issues

In case of an emergency, military call-ups, sickness or death in the family affecting attendance the day of an exam or an online quiz, you will be excused from the exam or the quiz **if and only if** you follow this procedure:

You **must** provide your teaching assistant (TA) or the professor with your justification via e-mail and you **must** submit proper documentation to your TA in a **timely** manner (e.g. military order in advance, doctor's note upon your return). When you go through a death in the family, you need to send us a statement, via e- email, telling the deceased's name and the relationship to you and provide your TA with a copy of the obituary upon your return. **Unexcused (i.e., no documentation) missed tests and quizzes will be scored as zeros.**

**A maximum of one quiz and one midterm can be excused during the semester.** The excused quiz will be scored as the average of your other quizzes. Your performance on the final exam will replace your midterm score if you miss one of the midterms with an accepted excuse. If you **miss more than one midterm or the final exam**, you will automatically receive an "F".

Note: If you have a valid excuse to miss two midterms or to miss the final on their scheduled dates, you will receive an "incomplete" for the semester grade.

### Grades

Plus/Minus grades will be determined on the basis of two midterm examinations, a comprehensive final examination, online quizzes, and lab attendance. A maximum of 450 points can be earned in the course. The two midterm examinations will be worth 80 points each, the final will be worth 160 points, each quiz will be worth 10 points. There will be 10 quizzes during the semester, although only the best 9 will count to your quiz score. **There are no make-ups for midterms.** The score on the final exam will replace the lowest score on a midterm exam if the former is higher.

|                                  |                             |     |
|----------------------------------|-----------------------------|-----|
| First midterm                    | 40 questions, 2 points each | 80  |
| Second midterm                   | 40 questions, 2 points each | 80  |
| Online quizzes (best 9)          | 10 questions, 1 points each | 90  |
| Final Exam                       | 80 questions, 2 points each | 160 |
| Lab attendance and participation |                             | 40  |
| Total course points              |                             | 450 |

The letter grade (plus/minus) is assigned based on the total points you can earn:

|                                       |   |
|---------------------------------------|---|
| A+                                    | 97% (436.5 points) or more  |
| A                                     | 93% (418.5 points) or more to strictly less than 97% (436.5 points) |
| A-                                    | 90% (405 points) or more to strictly less than 93% (418.5 points)   |
| .....                                 |   |
| Other grades follow the similar scale |   |

### Quizzes

A total of 10 online quizzes will be given. Quizzes will be offered on Canvas. The link to the quiz on Canvas will appear on Friday afternoons (See Quiz Schedule document) and will be available till 11:00 p.m. the following Sunday (exceptions to this schedule, due to snow days, etc., will be announced during the lecture). However, you will only have 25 minutes to complete the quiz. Once started quiz cannot be saved and must be completed. *Extremely important: while taking a quiz do not open any other windows, do not hit back button, etc. If you get disconnected for any reason, the system will not let you back in. That's why you should choose a reliable computer with a reliable connection. Hit save button often and when finished, hit submit.* Make sure you attend every lecture and lab meeting to so that you know topics and problems covered for every quiz. Quizzes will be based on material already covered in lecture and in lab. Only highest 9 quiz scores will count which means you can drop one.

Note: Due to Reading Day falling on Friday, the last Quiz 10 will be offered earlier with a changed due date. Follow announcements made during the lecture.

### Reef Polling by iClicker

I will be using REEF Polling by i>clicker in class this term. You will need to create a REEF Polling account to vote in class using your laptop, smart phone, or tablet connected to the university's Wi-Fi. You may also use your i>clicker remote in combination with your REEF Polling account. You will need to go to <http://reef-education.com> or download the REEF Polling app for iPhone/iPad to sign up for a REEF Polling account. You should use your university email address and your student ID when you register. Do **not** create and use more than one REEF Polling account as you will only receive credit from a single account. If you want to use your i>clicker + or i>clicker 2 remote, you must register it with your REEF account. For further instructions, please see the supporting documents on our Canvas site.

### Lecture Attendance

You are expected to attend every lecture. Although PowerPoint slides will be posted online, I will not make lecture notes public and all the important announcements and changes will be made in class. Therefore, there is a clear and paramount benefit of attending every lecture. To motivate you even further, I will display questions periodically throughout the semester to test your understanding of material using REEF Polling. You will get points for both, submitting your answer as well as answering it correctly. At the end of semester, I'll rank the entire class based on their points on REEF Polling questions. Top 25% of students will receive 12 extra credit points, the next quartile will receive 6 extra credit points, the third quartile will receive 3 extra credit points and the bottom 25% of the students will receive none.

### Discussion Labs

Every Monday and Wednesday morning I will post a lab handout on Canvas for Tuesday and Thursday labs, respectively. You are supposed to download the lab handout and work on the problems (or at least become familiar with) before meeting your TA in the lab. TAs

will go through the problems together with you and test your understanding and preparation using REEF Polling. Discussion labs are an excellent place to ask questions related to the material or problems as we have limited opportunity to do so during large lectures. Lab participation is worth 40 points and can be earned by answering Reef Polling questions during the lab. You will earn 1 point for answering a question and 1 more point for answering the question correctly.

One part of a lab handout will be a specific Wall Street Journal (WSJ) article(s) that's relevant to the material that is being covered. This WSJ article will be included for your reading in the lab handout (see above). You are supposed to read these articles and pay careful attention to its main arguments and claims as a few of the Reef Polling questions will contain questions related to them. These WSJ article questions will also be included in the exams.

### Help and Office Hours

You are encouraged to visit us during my or TA office hours. Please take into consideration that the material we cover is cumulative in nature and once you start falling behind it will be progressively more difficult to catch up. That is why it's important to seek help early. We want you to succeed.

### ACADEMIC INTEGRITY POLICY

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

Academic Dishonesty includes but is not necessarily limited to the following:

- A. Cheating or knowingly assisting another student in committing an act of cheating or other academic dishonesty.
- B. Plagiarism which includes but is not necessarily limited to submitting examinations, themes, reports, drawings, laboratory notes, or other material as one's own work when such work has been prepared by another person or copied from another person.
- C. Unauthorized possession of examinations or reserve library materials, or laboratory materials or experiments, or any other similar actions.
- D. Unauthorized changing of grades or markings on an examination or in an instructor's grade book or such change of any grade report.

**ACADEMIC INTEGRITY PLEDGE:** *"I strive to uphold the University values of respect, responsibility, discovery, and excellence. On my honor, I pledge that I have neither given*

*nor received unauthorized assistance on this work."* Students are expected to adhere to this pledge on all graded work whether or not they are explicitly asked in advance to do so.

The University has specific academic dishonesty administrative [procedures](#). Although policy states that cases of academic dishonesty must be reported to the Office of the Provost for possible action, the instructor may assign a failing grade for the assignment or a failing grade for the course, or may adjust the grade as deemed appropriate. The instructor also may require the student to repeat the assignment or to perform additional assignments. In instances where academic integrity is in question, faculty, staff and students should refer to [Article VI of the Faculty Handbook](#). Article VI is also available in the [M-Book](#). Article VI provides further information regarding the process by which violations are handled and sets forth a standard of excellence in our community.

**STUDENTS WITH DISABILITIES:** If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible. If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the Office of Disability Services (<http://disabilityservices.missouri.edu>), S5 Memorial Union, 573- 882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for persons with disabilities, click on "Disability Resources" on the MU homepage.

#### INTELLECTUAL PLURALISM STATEMENT (FROM OFFICE OF THE PROVOST)

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the Departmental Chair or Divisional Director; the Director of the Office of Students Rights and Responsibilities (<http://osrr.missouri.edu/>); or the MU Equity Office (<http://equity.missouri.edu/>), or by email at [equity@missouri.edu](mailto:equity@missouri.edu). All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

#### Examination Dates

|                            |  |
|----------------------------|--|
| First Midterm              | Thursday, February 22, 8:00-9:00 pm, Middlebush Aud. |
| Second Midterm             | Thursday, April 5, 8:00-9:00 pm, Middlebush Aud.     |
| Final Exam (Comprehensive) | Wednesday, May 9, 5:30-7:00 pm, location TBD         |

#### Other Important Dates

|                                       |        |
|---------------------------------------|--------|
| Last day to drop course without grade | Feb 19 |
| Last day to withdraw from the course  | Apr 30 |