# Economics 3229: Money, Banking and Financial Markets Spring 2020

(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:           | 232 Professional Building                                     |
| Office Hours:     | Mondays, Wednesdays and Fridays 1:00 – 2:00 or by appointment |
| Phone:            | 884 – 1588.   |
| Email:            | chikhladzeg@missouri.edu (best way to contact me)             |

#### Course Overview and Objectives:

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. This is a broader objective. Specifically, after finishing the course you will be able to:

- Understand and compare different financial instruments in terms of return, risk and liquidity.
- Derive the price or the interest rate of different debt instruments and analyze how the different interest rates are related.
- Understand how the commercial banks operate and type of risks they face.
- Understand the roots and causes of the Global Financial Crisis of 2007-2009 and its effect on the US economy as well as laws and regulations.
- Use different exchange rates to make cross-country comparisons and identify factors that affect exchange rates.

# Textbook

Cecchetti, *Money, Banking and Financial Markets*, 5<sup>th</sup> edition, (McGraw Hill, 2017). 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 automatically for the cost of the digital course materials. If you choose to opt out of the digital content, you have **until Feb. 4, 2020** to opt out to receive a refund. You will be sent a Welcome Email that will provide charge amounts, the opt-out process and any additional information needed for your AutoAccess course(s) beginning Jan, 8, 2020. If you have questions please call 573-882-7611 or email <u>AutoAccess@missouri.edu</u>

#### Emergency related issues

In case of an emergency, military call-ups, sickness or death in the family affecting attendance of a discussion lab, you will be excused **if and only if** you follow this procedure:

You **must** provide your teaching assistant (TA) 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 discussion labs 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 440 points can be earned in the course. The two midterm examinations will be worth 80 points each, the final will be worth 120 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. The score on the final exam will replace the lowest score on a midterm exam if the final exam grade is higher. Otherwise the final exam grade stays, as both midterms.

| 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                       | 60 questions, 2 points each | 120 |
| Lab attendance and participation |                             | 70  |
| Total course points              |                             | 440 |

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

| A+ | 97% (426.8 points) or more  |
|----|---|
| А  | 93% (409.2 points) or more to strictly less than 97% (426.8 points) |
| A- | 90% (396 points) or more to strictly less than 93% (409.2 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 Thursday afternoons 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 20 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. 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.* 

<u>Note</u>: 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 iClicker software this semester to conduct polls, quizzes and award extra credit in class (see Lecture Attendance below). This will help me understand gauge student comprehension and understanding of particular topics throughout this course. You can use the iClicker app through a smart phone, tablet or laptop and the particular question that I am asking you will be stored on your device (along with the answer). Note: white clicker remotes are no longer supported!

You are required to bring your smart phone, tablet or laptop device to participate in my iClicker sessions during class. It is also your responsibility to properly setup your iClicker account in a timely fashion and check with me that it works properly.

#### 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 week your TA will bring problems and questions relevant to the material to the lab. You will work on these problems in groups in the labs TAs acting as facilitators. 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.

# Every lab you can earn up to 5 points. Here is the breakdown on how 5 points can be earned: 1 point for attendance, 3 point for correct answers and 1 point for active group participation.

One part of a lab handout will be a specific <u>Wall Street Journal (WSJ) article(s)</u>. This WSJ article will be posted on Canvas either on Monday or Wednesday. There will be a different article for Tuesday and Thursday labs. You are supposed to read these articles and pay careful attention to its main arguments and claims. 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.

#### 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 (<u>http://disabilityservices.missouri.edu</u>), 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

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 <u>Office of Students Rights and Responsibilities</u>; the <u>MU Equity Office</u>, or <u>equity@missouri.edu</u>. All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

#### ACADEMIC INQUIRY, COURSE DISCUSSION, AND PRIVACY

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of <u>section</u> 200.020 of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.

# TITLE IX

University of Missouri policies prohibit discrimination on the basis of race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, pregnancy, age, genetic information, disability and protected veteran status. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. Sex-based violence includes rape, sexual assault, unwanted touching, stalking, dating/interpersonal violence, and sexual exploitation.

If you experience discrimination, you are encouraged (but not required) to report the incident to the MU Office for Civil Rights & Title IX. Learn more about your rights and options at <u>civilrights.missouri.edu</u> or call 573-882-3880. You also may make an anonymous report online.

Students may also contact the Relationship & Sexual Violence Prevention (RSVP) Center, a confidential resource, for advocacy and other support related to rape or power-based personal violence at <u>rsvp@missouri.edu</u> or 573-882-6638, or go to <u>rsvp.missouri.edu</u>.

Both the <u>Office for Civil Rights & Title IX</u> and the <u>RSVP Center</u> can provide assistance to students who need help with academics, housing, or other issues.

Examination DatesFirst MidtermThursday, February 27, 8:00-9:00 pm, Cornell AudSecond MidtermThursday, April 9, 8:00-9:00 pm, Cornell AudFinal Exam (Comprehensive) Monday. May 11, 3:00-4:30 pm, location TBA

Other Important Dates

| Last day to drop course without grade | Feb 24 |
|---------------------------------------|--------|
| Last day to withdraw from the course  | May 4  |