

ECONOMICS 330 – Macroeconomic Institutions and Policy

University of Arizona – Summer Pre-Session, 2009

Instructor: Eylem Gevrek
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Lectures: MTWRF 09:00 am – 11:50 am KOFFL 216
Office Hours: MF 1:00 pm– 2:00 pm & by appointment.
Textbook: Mishkin, Frederic S. The Economics of Money, Banking, and Financial Markets 8th Edition. Addison Wesley, 2007.
ISBN – 0-321-42177-9

Internet Resources: Useful website for the text located at
www.myeconlab.com/mishkin
The Wall Street Journal: <http://online.wsj.com/public/us>
The Economist: <http://www.economist.com/>

Course Objectives: Macroeconomic Institutions and Policy covers issues continuously in the news and the subject of vigorous policy debate, such as the strength of our currency, the Federal Reserve’s monetary policy, and financial regulations. The goal of the course is to provide students with an in-depth understanding of fundamental issues in money, monetary policy, and the operation of the financial institutions and markets.

Prerequisites: ECON 200 or ECON 210 or ECON 201A-201B. This course is not open to Economics or Business Economics majors, or to students who have completed or are enrolled in ECON 332. There are absolutely no exceptions to this Departmental policy.

Grading Policy: Your course grade will be based on two midterm exams, comprehensive final and in-class quizzes. The grading breakdown is as follows:

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|----------------|----------------------|-----|
| Midterm Exam 1 | Friday, May 22, 2009 | 25% |
| Midterm Exam 2 | Monday, June 1, 2009 | 25% |
| Final Exam | Friday, June 5, 2009 | 35% |
| Quizzes | | 15% |

Midterm Exams: These midterm exams will *not* be cumulative, that is, each midterm will cover material discussed in class sessions since the previous exam.

Final Exam: The final exam will be cumulative, that is, it will cover material from the entire semester.

Quizzes: There will be several quizzes throughout the semester. Quizzes will be given at random. There will be no make-ups for any quizzes.

Homework: Problem Sets will be assigned for this course; however, they will not be graded. The topics covered in the problem sets will be representative of the types of problems on the exams.

Policy on Make-Up Exams: Any unverified absence during an exam will result in a ZERO for that exam. In case of illness, you will need to provide a doctor’s written statement of your condition. There are no make-up midterm exams scheduled. If you miss a midterm exam with an accepted excuse, the weight of the missed exam will be added to the final exam.

Excuses for missed midterm exams must be pre-approved by the instructor (except when this is not possible in an emergency.) Students who miss an exam should contact the instructor as soon as they become aware of their inability to take an exam. Students who make initial contact after the exam has been given will have to also document why they (or some other individual) could not make contact in the above-specified timely manner. Students who miss an exam should provide a signed written statement explaining the relevant circumstances and relevant documentation within **two** working days of their return to campus. Failure to comply with any of the above in the specified manner will result in a grade of ZERO for that exam.

Each student will have **two** days to contact me after an exam is returned to appeal an exam grade.

Academic Integrity: Violations of the University's Code of Academic Integrity will result in a failing grade in the course and a recommendation for expulsion from the University. Please refer to the following website for detailed information about the University of Arizona's code of academic integrity: <http://dos.web.arizona.edu/uapolicies/>.

Students with Disabilities: If you anticipate the need for reasonable accommodations to meet the requirements of this course, you must register with the Disability Resource Center and request that the DRC send me official notification of your accommodation needs as soon as possible.

I reserve the right to make minor changes to course policies and to the syllabus.

ECON 330 Tentative Course Outline (Chapters refer to Mishkin 8th Edition)

PART I Introduction

Why Study Money, Banking and Financial Markets? *Chapter 1*

An Overview of the Financial System *Chapter 2*

PART II Money and Interest Rates

What is Money? *Chapter 3*

Understanding Interest Rates *Chapter 4*

The Behavior of Interest Rates *Chapter 5*

PART III Central Banking and the Conduct of Monetary Policy

Structure of Central Banks and the Federal Reserve System *Chapter 12*

Multiple Deposit Creation and the Money Supply Process *Chapter 13*

Determinants of Money Supply *Chapter 14*

Tools of Monetary Policies *Chapter 15*

PART IV Monetary Policy and International Finance

Foreign Exchange Market *Chapter 17*

The International Financial System *Chapter 18*

PART V Monetary Theory

The Demand for Money *Chapter 19*

The IS-LM Model *Chapter 20*

Monetary and Fiscal Policy in the IS-LM Model *Chapter 21*