

**DePaul University**  
**Department of Economics**

**Economics 315 (asynchronous)**  
**Introduction to Money and Banking**  
**Autumn Quarter, 2020**  
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The goals of this course are to: (1) examine the major channels of borrowing and lending in the economy, including the instruments and institutions involved in the process; (2) understand how financial markets determine interest rates and why different assets earn different rates of return; (3) study how the financial system is changing and the economic implications of such changes; (4) explore the nature of money and its role in the American economy; (5) scrutinize how the Federal Reserve conducts monetary policy; and (6) analyze how monetary policy affects macroeconomic variables. The textbook for this course is *The Economics of Money, Banking and the Financial System* by Frederic Mishkin, 5th Business Edition, 2019. In addition, supplementary materials are required and will be posted online. I reserve the right to assign additional readings of topical interest as the course unfolds.

This course will be taught as an online course. I will post lectures with powerpoint slides embedded to cover what I would have done in class. I will also include the powerpoint slides from the textbook on D2L. I will have an office hour each week via Zoom.

Grading in the course will be based on three take-home exams worth 40, 30 and 30 percent each. Information on the exams will be provided as the course unfolds, but expect the first exam to be due approximately by the end of the fourth week of the quarter. The breakdown for the material using the chapters of the textbook as a guide is as follows:

I. INTRODUCTION & OVERVIEW OF THE FINANCIAL SYSTEM  
Mishkin, Chapters 1, 2, and 3.

II. INTEREST RATE DETERMINATION  
Mishkin, Chapters 4, 5, (pp. 88-101), and 6

Exam one will cover sections I and II.

III. FINANCIAL INSTITUTIONS: BEHAVIOR AND REGULATION  
Mishkin, Chapters 8, 9, 10, 11, and 13

Exam two will cover section III

IV. MONETARY CONTROL AND MONETARY POLICY  
Mishkin, Chapters 16, 18, and 19.

V. EXCHANGE RATE THEORY  
Mishkin, Chapter 20 and 21

Exam three will cover sections IV and V.