

ECO 315 - Money and Banking - Syllabus - Spring 2022

Contact Information

- **Instructor:** Ingunn Lonning
- **Email:** ilonning@depaul.edu
- **Office Hours:** (In Zoom) Wednesday 5 - 5:30pm, after the weekly Zoom session, and by appointment. If you can't attend any of those times, please, send me an email, so we can find a time that works.
- **Location:** DPC 6225 (1 East Jackson Blvd., Chicago IL 60604) - when back in the office
- **Phone:** +1 (312) 362-8781 - when back in the office
- **Preferred Contact:** via email

You can expect a response within 24 hours. If you don't hear back within 24 hours, please, send another mail. Put the class name in the title and remember to write your name in the mail. (Yes, I sometimes get student e-mails that are not signed from the strangest e-mail addresses, and I have to guess who sent it.)

Course Overview

This course will discuss the basic role that financial markets and financial intermediaries play in channeling resources from lenders to borrowers. We discuss how interest rates are determined by the interaction between the economy, the financial markets and the operations of the Federal Reserve. We start with a discussion of financial markets and show how interest rates are determined in the bond market. Then we analyze how banks channel funds and deal with risk, and how they are regulated to reduce the risk of financial crises. We look at the role of the Federal Reserve System, and how monetary policy interacts with the economy and financial markets and end with a discussion of what determines the international cost of funds, the exchange rate.

Synchronous meeting time:

- Monday 11:50 am - 1:20 pm

Course Prerequisites

ECO 105 Microeconomics and ECO 106 Macroeconomics.

Technical requirements

This is an online course. You will need at minimum:

- Frequent access to a computer that connects to the Internet including the ability to connect to the Internet at the time of the weekly Zoom meeting.

- A working e-mail account that you check regularly (and that is updated in Campus Connect)
- Access to a software suite such as Microsoft Office (Word, Excel, Power Point). DePaul students are eligible to receive Office 365 ProPlus for installation on their home computer and personal mobile devices. See [Office 365 Education Plus](#) for installation instructions.
- The ability to view video files.

For any questions regarding technology and software, check the student resources under "Course Information."

Technology Resources

If you are having difficulty with technology resources needed to engage in online classes, the University provides the following resources:

- If you live near campus, a limited number of on-campus computer labs are open [<https://offices.depaul.edu/information-services/services/labs-classrooms/computer-labs/Pages/default.aspx>].
- If you need financial assistance to secure needed technology, you can apply to the Technology Access Fund
Request:<https://offices.depaul.edu/student-affairs/forms/Pages/student-access-technology.aspx> (Note: There is no guarantee of funds if you apply.)

Required Materials

Textbook: Mishkin, Frederic S., *The Economics of Money, Banking and Financial Markets*, 12th edition. Pearson, 2019. ISBN 10: 0-13-473382-7. ISBN 13: 978-0-13-473382-1. You will also be fine with the 11th ed. from 2016. The differences are small, and I will refer to chapters and page numbers in both editions. You can buy the e-book or normal book. (We will follow the textbook closely, so the textbook is strongly recommended, but not required.)

Additional Readings: Various articles and handouts may be assigned during the quarter. Articles or links will be posted on D2L.

Books can be purchased from the DePaul Bookstore, or online. You can also rent a book.

Course expectations

For each week, read the overview of the week and check what is due. You are expected to watch videos and read class material before the Zoom session the following week, so you are ready to discuss the topics of the previous week. Check the Zoom session agenda for additional information on how to prepare.

Every Wednesday, quizzes on the previous week's material and other assignments will be due. Quizzes cannot be done after the deadline has passed! In addition, there will be writing assignments. All assignments should be submitted by the due date.

Check your e-mail and follow news items. Make sure your e-mail address is updated in DePaul's system. General class e-mails will also be posted under "News" on the course home page.

Read news about the economy, financial markets and institutions and the Federal Reserve, and think about how it relates to what you are learning in class. We will discuss news throughout the quarter.

Use of Internet: You may be asked to find info on the internet for several of your assignments. In addition, feel free to search the internet and google terms and questions from class, but remember that the focus is on mastering class material. In your assignments, you will be expected to demonstrate that you know what we have covered in class videos, Zoom sessions and other course materials, and not just something you could randomly google that sounds about right. See FAQs below for more information on this topic.

Netiquette: In an online class, most communication happens in writing. Make sure you check out tips for best practices in communicating in an online setting, also called Netiquette. You will find this in "Course Document" under "Academic and Technical Student Resources." Follow the link to tips on "Succeeding as an Online Student" and then to Netiquette. I have entered a direct link here, but do explore this useful resource! [Success Strategies - scroll to Netiquette](#)

Make sure you put in enough time. In a face-to-face setting this class would meet 3 hours per week. In addition, you would be expected to read and do homework outside class. DePaul estimates that there will be 2 hours of work outside class for each hour of lecture. For a 3-hour class, this implies a total of 9 hours of work per week. Set aside time to log into the class website and work on class material at least two to three times each week. If you have a problem putting in the required amount of time, maybe you are taking on too much and this may not be the right time for taking this class. Please, get in contact if you feel you are falling behind or this is an issue for you.

Any links not working? Please, send me an e-mail. I will be happy to check it out and update links. Note that some aspects of D2L do not work in some internet browsers. Chrome is recommended.

Learning Outcomes

After taking this class, students should be able to:

- Explain the role of financial markets and institutions in the economy and how financial intermediaries help reduce the effects of moral hazard and asymmetric information.
- Explain how various events will affect interest rates through graphic analysis of the bond market and calculations of bond prices and yield to maturity.
- List some financial market regulations, including FDIC, and explain how they help address issues of asymmetric information.
- Use a bank's balance sheet and T-accounts to demonstrate liquidity and capital management issues.
- Explain the roles of the Federal Reserve System in stabilizing the economy and the inflation rate and explain how various policy tools are used to fill these roles.
- Explain what determines exchange rates.

Assignments and exams

Assignments are there to help you understand, learn, and be able to make use of class material.

Weekly quizzes: The weekly quizzes will help test your understanding of and ability to use material presented in the videos and in readings. To prepare for the quizzes: Watch the videos, do the readings and check yourself on practice problems (posted under "Practice problems..." each week. We will also go through some practice problems in our Zoom sessions, so use the Zoom sessions to make sure you understand the previous week's material. Note: Some questions will be straightforward if you have seen the videos, other will ask you to use the material learnt, which will take some practice.

- You have two attempts for each quiz. The best attempt counts.
- The material will be divided into two quizzes most weeks. This will allow you to take a quiz when you have finished part of the week's material.
- Each quiz can be done at any time before the deadline, each Wednesday night at 11:59pm. Note: This is an absolute deadline!
- Quizzes will test your understanding of the weekly material, so make sure you watch the videos, do practice problems and prepare before starting the quizzes, or at least before you make the second attempt.

Note: You need to submit the quiz by the deadline (not just start it). Sometimes there are technical problems, so don't wait until the last minute to do the quizzes! I will NOT reopen quizzes if you miss a quiz or two due to technical problems or just forgot. However, because these issues sometimes will occur, the two lowest quiz scores will be dropped in your overall quiz grade calculation.

Other assignments:

In addition to the weekly quizzes, you will have shorter writing assignments almost every week. You will either be expected to write a Discussion Board posting or a short writing assignment in "quizzes." These will also be due on Wednesdays. See under "Due - Week .." for each week to make sure you know what is due that week.

Assessment

Grading

Value %

- | | |
|---------------------------------|-----------|
| • Weekly quizzes | 20 |
| • Assignments and participation | 40 |
| • Mid-term exam | 20 |
| • <u>Final exam</u> | <u>20</u> |
| • Total: | 100 |

Participation grades will be based on your weekly Zoom class attendance. You can miss one Zoom session without losing participation points. Getting full credit for attending Zoom sessions will depend on your participation in the session, including responding to writing prompts in the chat section. If you for some reason need to miss more than one Zoom session, e-mail me to discuss make-up work.

The final grade in your class will be determined as follows:

A	93 - 100	D+	67 - 69
---	----------	----	---------

A-	90 - 92	D	60 - 66
B+	87 - 89	F	59 and below
B	83 - 86		
B-	80 - 82		
C+	77 - 79		
C	73 - 76		
C-	70 - 72		

Exams:

There will be a midterm and a final in this class. The exams will consist of online quizzes and short-answer questions.

Midterm: Friday April 29 - Saturday April 30. The midterm will have a similar format to the weekly quizzes, but with only one attempt and a time constraint. It will be available 9am April 29 - 5pm on Saturday April 30. You can choose yourself the time of day to do the midterm.

Final: The final will be similar to the midterm. Time TBA.

Accommodations

Students with Disabilities

Students seeking disability-related accommodations are required to register with DePaul's Center for Students with Disabilities (CSD) enabling you to access accommodations and support services to assist your success. There are two office locations that can provide you with enrollment information, or inquire via email at csd@depaul.edu.

- Loop Campus - Lewis Center #1420 - (312) 362-8002
- Lincoln Park Campus - Student Center #370 - (773) 325-1677

Students are also invited to contact me privately to discuss your challenges and how I may assist in facilitating the accommodations you will use during this course. This is best done early in the term and our conversation will remain confidential.

Additional Accommodations

This course includes instructional content delivered via audio and video. If you have any concerns about your ability to access and/or understand this material in its default format, please notify me within the first week of the course so accommodations can be made.

Assistance with Writing – The Writing Center

Consider contacting or visiting the [Writing Center](#) to discuss your writing. Writing Center tutors are undergrad and graduate students across disciplines who would love to help you at any stage of the writing process with any kind of writing you're working on. In each appointment, tutors collaborate with you to set an agenda focused on one, two, or three specific topics for revision. Online appointments are available through audio and video or text-based chat or through written feedback where you upload a draft and a tutor provides feedback that is emailed to you. All writing center services are free.

Student Evaluations

At the end of this course, you will be provided with the opportunity to evaluate this course. Course evaluations provide valuable feedback that can improve teaching and learning, and think of this as your opportunity to make an impact, both in terms of what works well and what doesn't. The evaluation of the instructor and course provides you an opportunity to make your voice heard on an important issue – the quality of teaching at DePaul. Don't miss this opportunity to provide feedback!

Frequently Asked Questions

Q: Can I use the internet to answer assignment questions?

A: Yes and no. Some assignment questions will ask you to go to websites and look up data and information. Other times, you may want to look for information about a term. However, note the following:

- For work in this class, you are expected to demonstrate that you know class material. There is a reason we focus on what we do in the class. Using random material from the internet, even while somewhat correct, while ignoring important aspects discussed in class material will lower your score on an assignment.
- Be critical of websites used. Many website are biased or just written by persons who are not experts on a topic. Remember that you textbook is written by two economics professors and have been vetted by many students and other professors to remove any remaining errors. Investopedia articles have not been through that same process. For general info about how to evaluate a website, see the following link: [Evaluating websites](#)

Academic Integrity

Work done for this course must adhere to the University Academic Integrity Policy, which you can review in the Student Handbook or by visiting [Academic Integrity](#) at DePaul University.

Note: Quizzes and other assessments are meant to demonstrate what you understand of the material and what you need to work on. That means it's important that graded work should be done by you and only you, unless it's specified that this is a group project.

If I find that you have breached academic integrity rules, it will have consequences for your grade and your standing with the school.