



## ECONOMICS 420 – Money and Banking

Fall 2024

**Instructor:** Fang Zhang, Ph.D.

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*Office Hours in Person:* Tuesday, Thursday: 11:15AM-12:00PM

*Office Hours on Zoom:* Tuesday, Thursday: 12:00-12:30PM (by appointment)

### **Course Offering Information:**

- Tuesday, Thursday, 10:00 – 11:15AM, SGMH 1303; Schedule #: 12455; Section: 01
- Instruction modality: **In-Person**
  - Course instruction is only up to 20% online or three weeks of instruction time. Course may include some synchronous or asynchronous online meetings/activities ([UPS 411.104](#)).

### **University Catalog Description:**

Money supply process and impact of monetary policy on economic activity.

### **Detailed Course Description:**

This is an introductory course in money and banking, which develops a series of applications of principles from economics and finance to explore the connection between the financial system and the economy. The first part of the course consists of a microeconomic analysis of financial markets and financial institutions in the US. Topics include an introduction to markets for bonds, stocks, and financial derivatives, and an examination of the core features of the operation of banks and other financial intermediaries. The second part of the course studies the macroeconomic implications of money and banking, including the money supply process, the policies used by central banks to influence output and inflation, and the scope of government regulation on financial markets and the banking industry.

### **Prerequisites:**

ECON 320, ECON 325, or ECON 521

### **Required Textbook:**

- Frederic S. Mishkin, *The Economics of Money, Banking, and Financial Markets*, Business School Edition, 5<sup>th</sup> Edition, Pearson.
- ISBN: 9780134734521 (eBook), 9780134734521(loose-leaf)
- This text is available via **Titan Direct Access**, which offers eBook to students at a discounted price through the Campus Portal. **If you do not want to participate in Titan Direct Access, you must opt out before the [add-drop date](#) to avoid charges.** For instructions on how to access the eBook or opt out Titan Direct Access, please see <https://csuf.screenstepslive.com/m/53192/1/689625>.

## Grading and Important Dates:

- ❖ Your overall grade will be determined by a combination of exams and problem sets. The breakdown and dates are as follows:

	<b>Projected Time</b>	<b>Weight</b>
Midterm Exam I	October 3*	25%
Midterm Exam II	November 14*	25%
Problem Sets	See Canvas	25%
Final Exam	December 17	25%

\*: Confirmation pending

- ❖ Note: The above table applies to **undergraduate students** only. For graduate students enrolled in the class for graduate credit, please see the section “Graduate Student Requirements” below for additional course requirement and grade calculation.
- ❖ Grades will be determined using the plus/minus system according to the following scale<sup>1</sup>:

<b>Symbol</b>	<b>%</b>	<b>Symbol</b>	<b>%</b>
A+	97 ~ 100	C+	77 ~ 79.9
A	93 ~ 96.9	C	73 ~ 76.9
A-	90 ~ 92.9	C-	70 ~ 72.9
B+	87 ~ 89.9	D+	67 ~ 69.9
B	83 ~ 86.9	D	63 ~ 66.9
B-	80 ~ 82.9	D-	60 ~ 62.9
		F	0 ~ 59.9

## Exams and Exam Policy:

- ❖ All exams consist of multiple-choice and short-answer/problem-solving questions.
- ❖ All exams are closed-book, but you are allowed to bring a **one-page, single-sided, hand-written** notes to the exams. Typed or photo-copied notes (including graphs) are **not allowed**.
- ❖ In all exams you are required to bring your own **No.2 pencils**, an **eraser**, and a **calculator**. Other electronic devices are strictly forbidden.
- ❖ A scantron (**882-E**) will be provided to you during the exam.
- ❖ Exams are not cumulative.
- ❖ **Makeup exam policy:**
  - **Make-up exams are generally not allowed.** I would consider them only under extreme circumstances, such as illness or other extreme emergency of which I should be notified immediately, **if and only if** you present **proper documentation** (e.g. doctor’s note) to verify the circumstance. Should I decide to allow a make-up exam, it should be taken within one week of the exam date. If this is not possible under very extreme circumstances, the final exam will carry additional weight (again only if you have a fully justified reason AND valid proof).
  - If neither a make-up exam nor an additionally-weighted final exam is feasible in a well-justified circumstance with proof, I will assign an “I” grade (Incomplete) for you this semester and you need to make up the missed exam(s) in the following semester(s).

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<sup>1</sup> I reserve the right to curve the grades at the end of the semester. In the case that I curve, your overall grade will be no worse than the grade determined by the provided scale.

### Problem Sets:

- There will be a problem set for each chapter covered in the course.
- You can view the due dates for the assignment on Canvas. **Please mark the due dates on your calendar and set up reminders.**
- Problem sets must be **completed on Canvas by 23:59PM on the due dates (usually Sundays). Late assignment will not be accepted.** It is recommended that you submit your assignment a few hours ahead of time in case an internet issue might arise.
- There will be multiple-choice, fill-in-the-blanks, short-answer/problem-solving questions. For the problem-solving questions, you should show and explain your work since partial credit is awarded for incorrect answers that nonetheless indicate knowledge of how to do the problem.
- The solution to your problem set is available promptly after its due date, but please allow 1-2 weeks for me to grade the short-answer and problem-solving questions in your problem set.

### Graduate Student Requirements

- According to [UPS 411.100](#), graduate students enrolled in 400-level courses need to complete additional work for course grade evaluation.
- Graduate students will be required to complete an additional 6 -10 page literature review or a research paper on a topic of their choosing related to the course. Please refer to the guidelines for the term paper posted on Canvas for more information.
- Graduate students should approve their topic for the term paper with me no later than **November 8**, and the final paper will be due **December 17**.
- The grade weighting for **graduate students** will be as follows:

	<b>Projected Time</b>	<b>Weight</b>
Midterm Exam I	<b>October 3*</b>	20%
Midterm Exam II	<b>November 14*</b>	20%
Problem Sets	See Canvas	20%
Final Exam	<b>December 17</b>	20%
Term Paper	<b>December 20</b>	20%

\*: Confirmation pending

- ❖ Until the end of the semester, your grade on Canvas will be calculated using the same method as your undergraduate peers. After the term paper is graded at the end of the semester, your other class activities will be reweighted, and your final grade will be recalculated to account for the term paper.

### Attendance and Participation:

- **Regular attendance and participation are important for student success.** Attendance and participation in this course include attending the lectures, accessing the resources on Canvas in a timely manner, and engaging in in-person/online activities as instructed. Extended absences/lack of participation will have a negative impact on your ability to succeed in this class.

### Canvas:

- This course uses Canvas as our Learning Management System (LMS). You can access your Canvas through your portal.

- It is important that you check Canvas frequently for announcements, course materials, and due dates so you can keep up with the progress of the course.
- The following information and material will be available on Canvas:
  - \* Syllabus
  - \* Announcements
  - \* Lecture slides
  - \* Exam solutions
  - \* Problem sets and solutions
  - \* Grades
- You can install [Adobe Reader](#) on your computer to view PDF files and convert other formats to PDF.

### Zoom:

- My Zoom office hours are **T, Th 12:00-12:30PM** and they are **by appointment only**. I also have in-person office hours on **T, Th 11:15AM-12:00PM**.
  - \* Link to Zoom office hours: <https://fullerton.zoom.us/j/89728712544>
  - \* Please **email me** to make an appointment **at least 2 hours in advance**. I will not be on Zoom unless there is an appointment.
  - \* The meeting enables the waiting room function to ensure privacy of individual student.
  - \* **You must log into Zoom under your CSUF account to attend.**
- Free software to CSUF students (including **Zoom**, Microsoft Office, and Adobe) can be downloaded at <http://www.fullerton.edu/it/students/software/>.
- To test your Zoom technology, check <https://zoom.us/test>. It is recommended that you use a laptop/computer/tablet for the Zoom sessions, though you can also use a smart phone.

### Email Communications:

- The best way to communicate with me is via email. I normally check my emails frequently and respond promptly (usually within 24 hours).
- **Your CSUF email account should be checked frequently**, as communication via email is an important method of communication in this class.
- I will communicate with you via announcements and emails through **Canvas**, which only uses CSUF email accounts.
  - It is important that you **check your email rules** to make sure you **DO NOT block the emails forwarded by Canvas**, which are typically sent from [notifications@instructure.com](mailto:notifications@instructure.com).
  - It is also important that you **DO NOT turn off the notifications in your Canvas setting**. If so, you will not receive any email from me.
  - You can contact **Canvas Student Support** (24/7 hotline: 855-302-7528) if you need assistance.
- **Be sure to include your name and class section (ECON420) in every email.**
- If you email me to seek information about your grade or other confidential information, you must use your CSUF email or Canvas message so I can be sure of your identity.

### Technical Competencies Expected of Students:

- The following technical computer skills are required of students during this online timeframe:
  - Use of [Zoom](#)
  - Use of word processing (e.g. Microsoft Word)
  - Use of [Adobe Reader](#) and converting formats to .PDF

- Use of a Web Browser (e.g. [Google Chrome](#))
- Handling e-mail communications and inserting attachments
- Downloading and uploading files from the internet

### **Computer Hardware, Software, and Settings Requirements:**

- Operating System: Windows 7, 8, 10 or Mac OS X/X+
- Processor: 2+ GHz
- Memory: 4+ GB
- Plug-ins: [PDF Reader](#), [QuickTime](#), [Java](#) (use the current version) Note: Flash Player is no longer recommended.
- Web browser: [Chrome \(Chrome is required for taking exams through Proctorio\)](#), [Firefox](#) or [Safari](#) (use the current version)
- Display: 1336x768 or higher
- Internet connection: FiOS/DSL/Cable
- E-mail: CSUF student email account
- Sound card or built-in sound: required
- **Software:** [Microsoft Office 365](#) or similar; [Zoom](#); [Adobe Reader](#)

### **Other Information and Statements:**

#### **Academic Dishonesty**

Academic dishonesty includes such things cheating, inventing false information or citations, plagiarism, and helping someone else commit an act of academic dishonesty. It usually involves an attempt by students to show a possession of a level of knowledge or skill, which they in fact do not possess. Cheating is defined as the act of obtaining or attempting to obtain credit for work by the use of any dishonest, deceptive, fraudulent, or unauthorized means. Plagiarism is defined as the act of taking the work of another and offering it as one's own without giving credit to that source. Any academic dishonesty by the students will be treated in accordance with the university policy as stated in the university catalogue. Academic dishonesty when detected and substantiated, will result in an "F" for the course, plus additional university disciplinary actions. Additional information on this policy is available from [University Policy Statement 300.021](#).

#### **Students with Disabilities:**

The University requires students with disabilities to register with the Office of Disabled Student Services (DSS), located in UH-101 and at (657) 278 - 3112, in order to receive prescribed accommodations appropriate to their disability. Students requesting accommodations should inform the instructor during the first week of classes about any disability or special needs that may require specific arrangements/accommodations related to attending class sessions, completing course assignments, writing papers or quizzes/tests/examinations. For more, see <http://www.fullerton.edu/DSS/>.

#### **Wall Street Journal:**

You get FREE subscription to Wall Street Journal through the University, activate your school sponsored membership here: [WSJ.com/ActivateCSUF](http://WSJ.com/ActivateCSUF).

#### **Technical Support:**

- As a registered student, you are enrolled in the Learning Management System (LMS) (i.e., Canvas). You may access the LMS for all your classes by clicking on your student portal, found on the CSUF website. Click on the link for Canvas support resources [here](#).
- **Student IT Help Desk:**
  - Phone [\(657\) 278-8888](#), [email](#)
  - Walk-in [Student Genius Center](#), online chat - log into [Portal](#); click “Online IT Help”; click “Live Chat.”
- Canvas Support:
  - Phone [\(855\) 302-7528](#), (24/7 hotline), [student support chat](#).
- Free software available for CSUF students (including Zoom, Microsoft Office, Dropbox, and Adobe) are on the CSUF Division of Information Technology [website](#).

**Withdrawal:**

- The withdrawal policy for this class follows [UPS 300.016](#).
- The last day to withdraw from this class without a “W” is Tuesday, September 10, 2024.
- Withdrawal from the class with a "W": Authorization to withdraw after September 10 shall be granted for only the most serious and compelling reasons, e.g. a documented physical, medical, emotional or other condition which has the effect of limiting the student's full participation in the class. Poor academic performance, e.g. lack of effort or poor attendance, is not evidence of a serious reason for withdrawal.

**Emergency Preparedness:**

All students should be aware of what needs to be done in the case of an emergency, such as an earthquake, a fire, or other disasters, natural or otherwise. Be sure to look at the [CSUF Emergency Preparedness website](#) for critical information about your safety.

- ❖ When you need help Immediately or to report a dangerous situation, CALL 911
- ❖ University Police non-emergency line: (657) 278-2515

**Message from the College of Business and Economics (CBE):**

The programs offered in College of Business and Economics (CBE) at Cal State Fullerton are designed to provide every student with the knowledge and skills essential for a successful career in business. Since assessment plays a vital role in the College’s drive to offer the best, several assessment tools are implemented to constantly evaluate our program as well as our students’ progress. Students, faculty, and staff should expect to participate in CBE assessment activities. In doing so, CBE is able to measure its strengths and weaknesses, and continue to cultivate a climate of excellence in its students and programs.

Assurance of Learning (AoL) is an integral part of both our AACSB and WASC accreditation. For more information on our College-based assurance of learning efforts, please visit [the college’s assessment website](#).

## COURSE OUTLINE<sup>2</sup>

<b>Theme</b>	<b>Date</b>	<b>Topic</b>	<b>Reading</b>
I. Introduction	8/27, 8/29	Introduction and Overview	Chapter 2
II. Financial Markets	9/3, 9/5, 9/10	Understanding Interest Rates	Chapter 4
	9/12, 9/17	Determination of Interest Rates	Chapter 5
	9/19, 9/24, 9/26	Risk and Term Structures of Interest Rates	Chapter 6
	10/1	Review	
<b>Midterm Exam I: 10/3, in-class</b>			
III. Financial Institutions	10/8, 10/15, 10/17	Rational Expectations, Market Efficiency and the Stock Market	Chapter 7
	10/22, 10/24, 10/29, 10/31	Financial Derivatives	Chapter 14
	11/5, 11/7	Economic Analysis of Financial Structure	Chapter 8
	11/12	Review	
	<b>Midterm Exam: 11/14, in-class</b>		
IV. Central Banking	11/7, 11/19, 11/21	The Business of Banking	Chapter 9
	12/3, 12/5	Federal Reserve and the Money Supply Process	Chapter 17
	12/5, 12/10	The Tools of Monetary Policy	Chapter 18
	12/12	Review	
<b>Final Exam: 12/17, 9:00 – 10:50AM</b>			

<sup>2</sup> Tentative schedule only. I reserve the right to change this tentative course outline at any time during the semester.