

Money and Banking

Instructor: Mr. Edward Austin Middleton
Constant Hall 2048
Office: (757) 683-3577
emiddlet@odu.edu

Course Meeting Times

531
Constant Hall 1064
MW 4:20 – 5:45
Final: May 1, 3:45pm – 6:45pm

Office Hours:

Constant Hall 2048
Tuesday 9:00am – 12:00pm,
Wednesday 9:00am – 12:00pm,
And by appointment.

Course Description

This course examines the theory, history, policy of money and banking institutions, and the function and calculation of interest rates. Lectures will coordinate with the assigned reading, but I will also amplify, modify, and supplement.

Some of the objectives of this course are: (1) to understand the role of the price system, (2) to learn the tools used by financial institutions, and (3) to appreciate the influence monetary systems and policy have on individual economic decision making.

Text

Crosshore, M&B3, Cengage Publishing.
ISBN-13: 9781285167961

Grading

There are 400 possible points to earn in this course.

First Midterm	80 pts
Second Midterm	80 pts
Research Project	120 pts
Class Presentations	30 pts
Final Exam	90 pts

Final Grades will be assigned as follows:

A+	380+	B+	350 to 359	C+	310 to 320	D	220 to 279
A	370 to 379	B	330 to 349	C	290 to 309	F	Below 220
A-	360 to 369	B-	320 to 329	C-	280 to 289		

Midterms will consist of three sections: definitional, 10 questions where the correct answer will be few words; short answer, 6-questions-answer-4 where the correct answer will be 1-2 sentences; essay, 3-questions-answer-2 where the correct answer will be 5-7 sentences. Midterms will be administered during class times noted on the semester calendar below, and will only cover material from the preceding weeks. The final exam will be a 3-hour examination of similar format but with more questions covering material from the entire course. Scores will be curved.

Your research project will be tailored to your present work as a graduate student; please schedule a time to meet with me to discuss it.

Periodically you will be asked to describe the findings of additional assigned reading, and compare it to an alternative view of the issue which you are responsible for finding.

There will be no make-up exams for this course. Unexcused absences will be marked with a 0 in the ledger, including the final exam. Appeals to excuse a student's absence must be submitted as soon as reasonably possible once the student is aware of the necessity for absence, and must be accompanied with corroborating documentation. I am only receptive to appeals before the exam date, except in instances of immediate, unforeseen and grievous difficulty. I will adapt that student's grade formulation on an *ad hoc* basis. In the event foul weather or locusts prevent an exam being held on the assigned date, I will reschedule the exam to the earliest possibility on an *ad hoc* basis.

IMPORTANT: I will respond to any and all questions regarding midterms sent to me **by email** until 7:00pm Sunday evening the week of the midterm. I will respond to any and all questions regarding the final sent to me **by email** until 7:00pm the night before the final. The first time you visit my office hours and greet me with, "Roll Tide" will earn you 5 extra credit points. All emails with a timestamp after the 7:00pm deadline will receive encouragement to attend office hours or schedule an appointment. I will respond to any and all questions during office hours or appointments, either in person or over the phone. I prefer in person. I encourage you to be conscientious: *this does not mean I will not help you after Sunday*; it means that you will need to accommodate my own schedule given the short notice.

Test Retention Policy

Midterms will be returned to you promptly. Final exams will be available to you at your request for a minimum of 1 year.

Extra Credit

Students may earn extra credit by attending presentations to the undergraduate Economics Club by faculty and selected invitees throughout the semester, and submitting a brief response to the material presented. Presentation times and topics are forthcoming, and will be announced *via* Blackboard. Other extra credit opportunities will be announced in class or *via* Blackboard. Keep your ears open.

Honor Code

The Old Dominion University lists its student responsibilities online here: [<https://online.odu.edu/policies-and-student-responsibilities>]; if you have not done so, please read them carefully. The pledge you have committed to regarding academic integrity is:

“I pledge to support the Honor System of Old Dominion University. I will refrain from any form of academic dishonesty or deception, such as cheating or plagiarism. I am aware that as a member of the academic community it is my responsibility to turn in all suspected violations of the Honor Code. I will report to a hearing if summoned.”

If you have any questions about potential issues, *please ask them before submitting work for grading.*

For my part, as a member of the faculty I am obliged to report evidence of dishonesty to the Office of Student Conduct. Breaches will receive a zero in the ledger for the assignment, and may result in an F for the course. This holds for all assignments, including extra credit assignments.

Classroom Behavior

If you expect to need to depart mid-class, either for an appointment or a runny nose or whatever, please sit in the back.

Questions are welcome; specific questions grounded in the text are encouraged; vague questions or digressions are less so. If you ever feel I have not answered a question with clarity to your satisfaction, please come see me after class.

If it rings, I get to answer it. You probably don't want this to happen.

Contacting Me

I will respond to emails **during the week** within 24 hours; during the weekend I will try to be timely but will not promise the same turnaround time. Voicemails will be treated similarly.

When you contact me via email, please observe professional decorum in your writing, and use this format for the subject line:

ECON 531

Information regarding professional decorum may be found here:

[How to Email Your Professor](#)

If you do not observe decorum, I will respond with, “Try again”.

Blackboard

I will be using Blackboard to contact you and to post your midterm grades. I will also make my lecture slides and journal questions available. Use your Monarch Login at www.blackboard.odu.edu

Tutoring Assistance

ODU offers tutoring free-of-charge at the Peer Educator Program. You may find them at www.odu.edu/peereducator. There you may schedule a tutoring session; they are aware of when my courses' exams are.

Students with Disabilities

This course is ADA complaint, and as such will accept all direction from ODU's Office of Educational Accessibility. You may find their resources at www.odu.edu/educationalaccessibility.

Final Exams

ODU's end-of-semester exams are posted online here:

<https://www.odu.edu/academics/calendar/exams/spring>

This means two things: I did not choose what time exams are held, and you have plenty of time to reschedule your life to make yourself available to take the test.

Semester Calendar

	<u>Dates</u>	<u>Subject</u>	<u>Reading Assignment</u>
Week 1	Jan 11	Money and the Financial System	Ch. 1
Week 2	Jan 16 Jan 18	MLK Day Financial System and the Economy	NO CLASSES Ch. 2
Week 3	Jan 23, 25	Money, Payments, and Present Value	Ch. 3, 4
Week 4	Jan 30, Feb 1	Structure of Interest Rates	Ch. 5
Week 5	Feb 6, 8 Feb 8	Real Interest Rates First Problem Set Due	Ch. 6
Week 6	Feb 13, 15	How Banks Work	Ch. 8
Week 7	Feb 20 Feb 22	First Midterm Government's Role in Banking	Weeks 1-5 Ch. 9
Week 8	Feb 27, Mar 1	Growth and Cycles	Ch. 10
Week 9	Mar 6, 8	Prudent Adult Decision Making	NO CLASSES
Week 10	Mar 13, 15	AD-AS Model	Ch. 12
Week 11	Mar 20, 22 Mar 22	Modern Macroeconomic Models Second Problem Set Due	Ch. 13
Week 12	Mar 27, 29	Economic Interdependence	Ch. 14
Week 13	Apr 3 Apr 5	Second Midterm Federal Reserve System	Weeks 6-11 Ch. 15
Week 14	Apr 10, 12	Monetary Control	Ch. 16
Week 15	Apr 17, 19	Monetary Policy	Ch. 17
Week 16	Apr 24 Apr 25 May 1	Monetary Rules Reading Day Final Exam	Ch. 18 Weeks 1-16

Class Presentation Readings

Jan 25	Hayek	The Use of Knowledge in Society
Feb 1	Menger	On the Origin of Money
Feb 8	Lerner	The Marginal Product of Capital
Feb 15	Lewin	Hayek and Lachmann and the Complexity of Capital
Mar 1	Bordo	Gold Standard as "Good Housekeeping Seal of Approval"
Mar 15	Yeager	Can Monetary Disequilibrium be Eliminated?
Mar 22	Yeager	Injection Effects and Monetary Intermediation
Mar 29	Agenor	Benefits and Costs of Financial Integration
Apr 5	Friedman	The Role of Monetary Policy
Apr 19	O'driscoll	Central Banks Reform or Abolish?