This course is designed to provide an introduction to the role played by money, banking, and financial markets in the U.S. economy. The course begins with an examination of the determination of interest rates on alternative financial instruments. This is followed by an examination of the institutional and regulatory structure of the banking system. The determinants of the size of the money supply are then examined in some detail. The course concludes with an examination of the theory and practice of monetary policy.

The final grade in the course will be determined according to the following formula:

- three exams (25% per exam)
- homework assignments (25%)

The exams will be administered on the following dates:

Test 1 - Wednesday, March 1
Test 2 - Wednesday, April 5
Test 3 - Monday, May 15 - 2:00 - 4:00 pm

No makeup exams will be given for either of the first two exams. Instead, a comprehensive final exam will be administered in place of the third test if a student has a documented excuse for missing one of the first two tests. The documented excuse for one of these tests must satisfy the conditions specified in the student handbook for an excused absence.

Topics:

I. Introduction - Chapter 1-3
II. Interest rates - Chapters 4-7
III. Stock, bond, and other financial instruments - Chapters 8-10
IV. Financial Institutions - Chapters 11-14
V. Central Banks - Chapters 15-16
VI. Monetary Policy - Chapters 17-19
VII. Monetary Economics - Chapters 20-23 (as time permits)