ECO 331.001 Money and Banking  
Monday, Wednesday, Friday 11:00 – 11:50, McGee Business Room 343  
Fall 2019

Instructor: Dr. Mark Scanlan  
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Office Location: 303H
Nelson Rusche College of Business  
Office Hours: T TH: 12:30 – 2:30
Department: Economics & Finance  
MW: 11:50–12:50
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Online Office hours: MW 2 - 3
http://faculty.sfasu.edu/scanlanm/  
Or make an appointment for any time

Course Description – This course is an introduction to the behavioral science of economics which focuses on interest rates, the concept of money, exchange rates, and monetary policy. Topics covered include banking structures and function, the Federal Reserve, determinants of the money supply, fiscal policy and monetary policy, and international economies.

Learning Objectives - Upon successful completion of the course, the student should be able to display an understanding of news relating to monetary policies reported in such publications as The Wall Street Journal. Students will also become familiarized with the structure and function of Commercial Banks, The Federal Reserve, and other financial institutions such as the New York Stock Exchange. Further, students are expected to master techniques relating to interest rate calculations, exchange rate determinations, and appropriate levels of the Money Supply. This course should be a step in developing students’ abilities to work in the financial or banking sector, along with giving all students an increased appreciation of how the economy works.


Grading: The course grade will be based on three equally weighted exams worth 100 points each (75% of your overall grade), one class project worth 40 points (10% of your overall grade) three prediction worth 10 points each, and six assignments worth 5 points each (15% of your overall grade). This gives a total of 400 available points in the class.

A: At least 360 points  
B: At least 320 points.  
C: At least 280 points.  
D: At least 240 points.  
F: Below 240 points.

Exams: Exams will be held on Wednesday Sept. 25th, Wednesday October 30th, and Friday December 6th. Exams will be held during normal class hours.

Final Exam: Monday December 9th 10:45-1:15
Optional Final: The Final Exam for the course is optional and will replace the lowest test grade achieved during the semester for better or worse.

Make-up Policy: Make-up exams for excused absences will take place before the next class after an exam. Otherwise students must take the optional final.

Attendance/Participation: Participation in class will be rewarded with up to 5 points. If you attend class consistently and occasionally answer questions during class, you’ll be fine.

Assignments/Quizzes: Small assignments will be handed out or assigned periodically. I will hand out 7 assignments of which only 5 will count toward your grade.

Project: A project will be handed out after the first exam that will cover a current event related to the class. The project can be done alone or as a group and will consist of a paper and a presentation in class.

Lateness and Courtesy: Please arrive on time to class and please turn off all cell phones. Texting during class is discouraged since it often distracts other students. Do not start getting your bags together before the end of class, it makes it hard for others to hear the end of class comments.

Topics: This is a tentative schedule that can change

Week 1 – Intro: Definitions - Introduction and Chapter 1
Week 2 – Overview and Money - Chapters 2 & 3
Week 3 – Interest Rates - Chapters 4
Week 4 – Interest Rates Continued - Chapter 4 & 5
Week 5 – Interest Rates and Risk – Chapters 5 & 6
Week 6 – Financial Structure - Chapter 8
Week 7 – Banking - Chapter 10
Week 8 – Banking and Regulation - Chapter 11 & 12
Week 9 – Regulation and Crisis - Chapters 12 & 9
Week 10 – Crisis and The Federal Reserve: Chapter 9 & 13
Week 11 – The Federal Reserve – Chapter 13
Week 12 – Money and Monetary Policy – Chapter 14
Week 13 – Policy: Fed’s Tools - Chapter 15
Week 14 - Advanced Policy – Chapter 16
Week 15 – International Finance and Exchange Rates - Chapter 17
**Fredcast Prediction Game:** This activity takes advantage of the nationwide economic forecasting game developed by the St. Louis Federal Reserve Bank (called FREDcast). The game has participants make predictions on the following month’s unemployment rate, level of payroll employment, real GDP growth rate, and CPI inflation rate. Each prediction is given a score based on how close it is to the actual levels. The site allows me to set up a classroom competition where students can compete against each other for points. The winner will be rewarded with funds provided by the Deans office.

**Process:** This activity consisted of three parts.

1. **Primer:** Students complete a worksheet intended to familiarize you with how the Federal Reserve Bank exactly defines each of the measures that we will learn in class. It is also intended to give you some practice exporting data and working with the Federal Reserve’s graphing tool to do detailed research analysis.

2. **Justification:** Each month students are required to not only make predictions on the website but to also write up an explanation for your predictions. You need to cite multiple sources and reasons for your predictions, saying it was a “gut feeling” or that you followed past trends is acceptable but far from sufficient. You are encouraged to read news articles related to these topics, to investigate how changes in related variables impact the measures, and how any other current events might impact the economy.

3. **Discussion:** Each month the class will meet in the Boardroom the day after the predictions are made online to discuss how each student made their picks. I hope this turns into a lively discussion about which direction the variables will move based on the research completed. The discussion sessions are scheduled to last one hour.

**Getting Started:** Here is how to initially get signed up with Fredcast:

1. Visit the website: [https://fred.stlouisfed.org/fredcast](https://fred.stlouisfed.org/fredcast)
2. Use the invitation code: D90MI6KY
3. Create an account by entering and email, username, password
4. If these steps do not work let me know and I can invite you to the group by email.

**Predictions:** Predictions must be input to the Fredcast website and your explanations put into dropbox on D2L by the following dates: Wednesday Sept. 18th, Wednesday October 16th, and Monday November 18th.

**Discussion:** We will meet in the college of business boardroom on Friday Sept. 20th, Friday Oct. 18th, and Friday Nov. 22nd. These classes are mandatory and missing these days will hurt your participation grade in the course.
General Student Policies:

Academic Integrity (A-9.1)
Abiding by university policy on academic integrity is a responsibility of all university faculty and students.

Definition of Academic Dishonesty
Academic dishonesty includes both cheating and plagiarism. Cheating includes, but is not limited to (1) using or attempting to use unauthorized materials on any assignment or exam; (2) falsifying or inventing of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were one’s own. Examples of plagiarism include, but are not limited to (1) submitting an assignment as if it were one's own work when it is at least partly the work of another person; (2) submitting a work that has been purchased or otherwise obtained from the Internet or another source; and/or (3) incorporating the words or ideas of an author into one's paper without giving the author credit. Penalties may include, but are not limited to reprimand, no credit for the assignment or exam, re-submission of the work, make-up exam, failure of the course, or expulsion from the university. Please read the complete policy at http://www.sfasu.edu/policies/student_academic_dishonesty.pdf.

Course Grades (University Policy 5.5)
At the discretion of the instructor of record and with the approval of the academic unit head, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F, except as allowed through policy related to active military service. If students register for the same course in future semesters, the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average. Please refer to the complete policy at http://www.sfasu.edu/policies/course-grades.pdf.

Students with Disabilities
To obtain disability related accommodations, alternate formats and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Room 325 in the Human Services Building, 468-3004/468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to http://www.sfasu.edu/disabilityservices/.

Student Conduct (University Policy 10.4)
Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (see the full Student Conduct Code at http://www.sfasu.edu/policies/student-code-of-conduct_10.4.pdf). Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to
judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic, classroom, labs, discussion groups, field trips, etc. The instructor shall have full discretion over what behavior is appropriate/inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the iCare Early Alert Program. This program provides students with recommendations for resources or other assistance that is available to help SFA students succeed.