Instructor Information

Professor: Hilde Patron, Ph.D.

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Want to know more about me and my interests? Check out my vitae:

http://www.westga.edu/~econ/faculty_patron_vita.pdf

Office Hours

Face-to-face (RCOB, 43) office hours: Mondays 8:30-11:30AM.

Online office hours: Monday through Friday 11AM-12PM. Email me first at hpatron@westga.edu. If needed we can chat on Courseden.

You may email me anytime. I will reply as soon as possible but within 24 business hours. You can email me using the Mail Tool found on the CourseDen course toolbar or directly to hpatron@westga.edu. Please respond to my emails within 24 business hours.

Course Information

Meetings: This is an online course conducted on CourseDen. You may login by going to http://westga.view.usg.edu. We will meet in person only twice, on the first day of classes (May 16th) and on the day of the final exam (June, 2nd). Both meetings are at 1:00PM in the Richards College of Business, room 1308. There will 11 online lessons. Lessons will be available starting at 12:30AM each morning. The first lesson will be available on Monday, May 16th and the last lesson will be available on Tuesday, May 31st.

Course Description: In this course we study the five parts of the U.S. financial system: money, financial instruments, financial markets, financial institutions, and central banks. Throughout, we will emphasize five principles: time has value; risk requires compensation; information is the basis for all decisions; markets set prices and allocate resources; stability improves welfare.

Textbook: Cecchetti, Stephen. Money, Banking, and Financial Markets, second edition. The first edition and the international edition are also acceptable (and much cheaper!)

Look for the book in the University’s Bookstore’s Website: http://www.bookstore.westga.edu
Prerequisites: (ECON 2105 Minimum Grade: D or ECN 207 Minimum Grade: D ) and ( ECON 2106 Minimum Grade: D or ECN 206 Minimum Grade: D ). You also need to have access to a computer and you must have access to the internet.

Course Objectives and Learning Outcomes

At the end of this course you should:

(1) Be familiar with the definition, functions, and evolution of money, financial instruments, financial markets, financial intermediaries, and central banks (LG7).

(2) Understand the concepts of future value, present value and how they are applied to the pricing of financial instruments (LG7, LG8).

(3) Understand the concepts of risk, risk aversion, and their impact in the pricing of financial instruments (LG7, LG8, LG9).

(4) Understand the functioning of bond’s markets and the determination of interest rates and bonds prices (LG7, LG8).

(5) Understand the concepts of the term structure of interest rates and the yield curve, and how they can be used to make inferences about economics’ agents’ expectations of the economy (LG7, LG8, LG9)

(6) Understand the structure of the Federal Reserve Bank, the tools of monetary policy and the monetary policy making process (LG8, LG11).

A complete list of the Economics Department’s learning objectives can be found at: http://www.westga.edu/~econ/lg_assessments.htm.

Attendance Policy

You are required to attend the final exam (6/2/11. 1PM) and to login the course everyday. You are also required to participate in the classroom discussions. While no additional grade is attached to participation, failure to participate will result in a 5 point deduction per discussion missed on the final grade (note: two missed discussions equal a letter grade).

Grading

Your grade in the class will be based on eleven daily assignments and a final exam.

Each daily assignment will be worth eight percent of the grade. The daily assignments will include short essays, surveys, and quizzes. IF YOU MISS AN ASSIGNMENT YOU WILL GET A ZERO ON THE ASSIGNMENT. However, I will drop the worst score in the daily assignments.
The final exam will be worth 20 percent of the grade. The final exam will be multiple choice. You need to bring an 882-E scantron, a pencil, and a calculator to the test. If you miss the final you need to have a university approved excuse (illness, death in the family, university sanctioned sports event in which you are participating, jury duty). The excuse must be provided in writing and if possible (such as sports event, jury duty, etc) before the test.

Grades will be posted on CourseDen on the day after the assignment is due (at the latest). You may check your grades by clicking on the “My Grades” link on the CourseDen course toolbar.

Grading Scale

A: 90% or higher
B: 80% to 89.9999%
C: 70% to 79.9999%
D: 60% to 69.9999%
F: Less than 60%

Note: an 89.9% is a B!

No extra credit opportunities will be offered!

Course Outline

<table>
<thead>
<tr>
<th>Day</th>
<th>Meeting Time</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>Monday, May 16th</td>
<td>Optional orientation</td>
<td>Orientation to the course &amp; Chapter 1: An Introduction to Money and the Financial System;</td>
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<tr>
<td></td>
<td>Location: RCOB 1308. Time: 1:00PM.</td>
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<tr>
<td></td>
<td>Online/ includes &quot;daily&quot; assignment</td>
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<tr>
<td>Wednesday, May 18th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 4: Future Value, Present Value, and Interest Rates</td>
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<tr>
<td>Thursday, May 19th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 5: Understanding Risk</td>
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<tr>
<td>Friday, May 20th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 6: Bonds, Bonds Prices, and the Determination of Interest Rates</td>
</tr>
<tr>
<td>Monday, May 23rd</td>
<td>Online/ includes &quot;daily&quot; assignments</td>
<td>Chapter 7: The Risk and Term Structure of Interest Rates</td>
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<tr>
<td>Tuesday, May 24th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 11: The Economics of Financial Intermediation &amp; Chapter 12: Depository Institutions: Banks and Bank Management</td>
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<tr>
<td>Wednesday, May 25th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 13: Financial Industry Structure &amp; Chapter 14: Regulating the Financial System</td>
</tr>
<tr>
<td>Thursday, May 26th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 15: Central Banks in the World Today &amp; Chapter 16: The Structure of Central Banks</td>
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<tr>
<td>Friday, May 27th</td>
<td>Online/ includes &quot;daily&quot; assignment</td>
<td>Chapter 17: The Central bank Balance Sheet and the Money Supply Process</td>
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Monday May 30th | Holiday/No Class | No class
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Tuesday, May 31st | Online/ includes "daily" assignment | Chapter 18: Monetary Policy: Using Interest Rates to Stabilize the Domestic Economy
Wednesday, June 1st | Reading day | No class
Thursday, June 2nd | Final Exam. Location: RCOB 1308, Time: 1:00PM | Chapters 1, 2, 3, 4, 5, 6, 7, 11, 12, 13, 14, 15, 16, 17, 18

**Academic Integrity**

Academic dishonesty as described by the Honor Code (which you can find at http://www.westga.edu/assets/docs/studentHandbook2006.pdf) will not be tolerated. Any such actions will result in a score of zero on the associated assignment(s) and/or dismissal from the course with a grade of “F”.

**Affirmative Action**

University of West Georgia adheres to affirmative action policies to promote diversity and equal opportunity for all faculty and students.

**Americans with Disabilities Act**

If you are a student who is disabled as defined under the Americans with Disabilities Act and requires assistance or support services, please seek assistance through the Center for Disability Services. A CDS Counselor will coordinate those services. See http://www.westga.edu/~dserve/

**Equal Opportunity**

No person shall, on the grounds of race, color, sex, religion, creed, national origin, age, or disability, be excluded from employment or participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity conducted by UWG.

**Need Help?**

If you need help with CourseDen or if you have other technical problems you may go to any of the following sites:

http://www.westga.edu/~distance/

http://www/westga.edu/~library/

**Disclaimer**

The instructor reserves the right to change this syllabus at anytime during the semester. Any changes will be announced in writing.