

ECON 2035: Money, Banking, and Macroeconomic Activity
Syllabus – Fall 2024

Instructor: Mary Peshoff
Office: 2430 BEC
Office Hours: Tuesday and Thursday from 1:30-2:50PM, or by appointment
e-mail: mpesho1@lsu.edu

Section 3: T TH 12:00 – 1:20PM 228 Tureaud Hall

Section 4: T TH 3:00 – 4:20PM 228 Tureaud Hall

Required Text: R. Glenn Hubbard and Anthony Patrick O'Brien; *Money, Banking, and the Financial System, 4th Edition* with MyLab; Pearson; \$119.99, link to buy direct: <https://www.pearson.com/en-us/subject-catalog/p/money-banking-and-the-financial-system/P200000005934/9780136893479>

Important: MyLab is required. Your chapter homeworks are taken through MyLab. To access MyLab, click on the External Tool in Moodle *first* and then sign-in with your code. You will not need a course id if you do this and your MyLab account will be synced with your Moodle account.

Prerequisite: Principles of Economics (ECON 2000 (or 2001) and ECON 2010 (or 2011), or ECON 2030 (or 2031))

Course Objective: Role of commercial banks, other financial institutions, and the central bank in affecting the performance of the economy; relationships of money and fiscal policy to prices, production, and employment; internal and external effects of U.S. fiscal and monetary policy.

Moodle: Important dates (exam dates, homework dates) will be posted to Moodle, and any postponed deadlines will be announced via email. It is the student's responsibility to check email, Moodle, and the homework system to keep up with the course.

Course Requirements: Students will be expected to complete reading assignments, Chapter Homeworks through MyLab, three exams, and a final exam.

- **Readings:** Students will be required to read the assigned readings before lecture. The order of textbook chapters to be covered is 1 – 11; 13-15; 18; 12; 16. Chapter 17 will not be covered.
- **Chapter Homeworks:** The links to these homeworks are found in the external tool for MyLab located on Moodle. Your average on these homeworks is what is counted toward your final grade. I will be dropping the lowest Homework score. While you will have unlimited attempts on the homeworks, no late work will be accepted.
- **Exams:** There will be three exams and a cumulative/comprehensive final exam. Each of the three exams will contain 30 multiple choice questions and will cover the material gone over

in the preceding lectures. The final exam will consist of 60 questions. The Exam dates are in the following table:

Exam #	Date	Chapters
1	Tuesday, 17-Sept	Chapters 1, 2, 3, 4, 5
2	Tuesday, 15-Oct	Chapters 6, 7, 8, 9
3	Tuesday, 12-Nov	Chapters 10, 11, 13, 14, 15
Final Exam	Monday, 9-Dec from 5:30 - 7:30PM	Cumulative (add chapters 18, 12, 16)

While I do not expect dates to change, any important exam date postponements will be announced in class and via email.

Exams will be taken in person. You may bring a non-graphing calculator. The Economics department has allotted students one hour to complete exams 1, 2, and 3 respectively. You will have two hours to complete the final exam.

- **Missed Exams:** A missed exam will be given a grade of zero points, unless the instructor is notified within three days of the exam date and the excuse is a valid, fully documented one and one which is officially approved. (The definition of “officially” approved can be found in LSU policy statement PS-22.)

If a student receives an excused absence for an exam, they will have a choice:

1. Elect to take a make-up exam at the end of the semester (date and time TBA).
2. Have the weight of the missed exam moved to the final exam.

Grade Breakdown:

Assignment	Percent Weight
Chapter Homeworks (Average)	17%
Exams 1 – 3 (Average)	50%
Final Exam	33%
Total	100%

Course Letter Grade Scale:

Percentage Range	Letter Grade
97.0 – 100.0	A+
93.0 – 96.9	A
90.0 – 92.9	A-
87.0 – 89.9	B+
83.0 – 86.9	B
80.0 – 82.9	B-
77.0 – 79.9	C+

73.0 – 76.9	C
70.0 – 72.9	C-
67.0 – 69.9	D+
63.0 – 66.9	D
60.0 – 62.9	D-
0 – 59.9	F

Academic Misconduct: To uphold high standards of academic integrity, procedures have been established to address academic misconduct. Cases of academic misconduct, as designed in Section 10.1 of the LSU Code of Student Conduct, which occur in this course will be prosecuted vigorously and fully. For a complete list of activities that constitute academic and non-academic misconduct, and the possible sanctions, please refer to the Code: <http://students.lsu.edu/saa/students/code>.

Special Needs: The University abides by The Americans with Disabilities Act (ADA) and the Rehabilitation Act of 1973, as amended, Section 504. Students who are registered with DS should present the course instructor a copy of the Accommodation Letter as early during the semester as possible but no later than three business days prior to the examination date. DS policy also states Accommodations are not retroactive. Accommodations for otherwise qualified students with disabilities do not take effect until you have completed registration with DS and have provided the faculty member with your Semester Accommodation Letter.

Students who have emergency medical information to share with the instructor or for whom special arrangements must be made in the case of the emergency evacuation of the building should inform the instructor of such needs immediately. To ensure complete confidentiality, it is preferred that all meetings and discussions take place during office hours.

Tips for Success:

1. You cannot passively “learn” economics. You must be an active learner. Trying to memorize problem steps or definitions without understanding what you are doing or what the words mean will cause you to struggle.
2. Attend class and actively participate. Although class attendance is not graded, course metrics repeatedly show a strong positive correlation between attendance and final course grade outcomes. Answering questions (even to shake or nod your head to say you do or don’t understand) helps you to process the material and provides me with valuable feedback about where to speed up or slow down. If you miss a lecture, you are welcome to come to office hours to go over the material.
3. If something doesn’t make sense, ask. You are highly encouraged to ask questions during lecture and to attend office hours if you are struggling. If you are unavailable during regularly scheduled office hours, reach out over email and to make an appointment.
4. Take good notes. Solutions to problems covered in class will not be circulated outside of lectures and office hours.

Course Outline: The outline is subject to change at the discretion of the instructor. Students will be notified any deadline changes ahead of time via email.

- Week 1 (Week of August 26th)
 - Chapter 1: Introducing Money and the Financial System
 - Chapter 2: Money and the Payment System
- Week 2 (Week of September 2nd)
 - Chapter 3: Interest Rates and Rates of Return
 - Chapter 4: Determining Interest Rates
- Week 3 (Week of September 9th)
 - Chapter 4: Determining Interest Rates
 - Chapter 5: The Risk Structure and Term Structure of Interest Rates
- Week 4 (Week of September 16th)
 - **Exam 1 (Tuesday, September 17th)**
 - Chapter 6: The Stock Market, Information, and Financial Market Efficiency
- Week 5 (Week of September 23rd)
 - Chapter 6: The Stock Market, Information, and Financial Market Efficiency
 - Chapter 7: Derivatives and Derivative Markets
- Week 6 (Week of September 30th)
 - Chapter 7: Derivatives and Derivative Markets
 - Chapter 8: The Market for Foreign Exchange
- Week 7 (Week of October 7th)
 - Chapter 8: The Market for Foreign Exchange
 - Chapter 9: Transactions Costs, Asymmetric Information, and the Structure of the Financial System
- Week 8 (Week of October 14th) [**Fall Holiday Oct 17th-18th**]
 - **Exam 2 (Tuesday, October 15th)**
 - Fall Holiday
- Week 9 (Week of October 21st)
 - Chapter 10: The Economics of Banking
 - Chapter 11: Beyond Commercial Banks: Shadow Banks and Nonbank Financial Institutions
- Week 10 (Week of October 28th)
 - Chapter 13
- Week 11 (Week of November 4th)
 - Chapter 14: The Federal Reserve's Balance Sheet and the Money Supply Process
 - Chapter 15: Monetary Policy
- Week 12 (Week of November 11th)
 - **Exam 3 (Tuesday, November 12th)**
 - Chapter 18: Monetary Theory II: The IS-MP Model
- Week 13 (Week of November 18th)
 - Chapter 18: Monetary Theory II: The IS-MP Model
 - Chapter 12: Financial Crises and Financial Regulation

- Week 14 (Week of November 25th) [**Thanksgiving Nov 27th-29th**]
 - Chapter 16: The International Financial System and Monetary Policy
 - Thanksgiving
- Week 15 (Week of December 2nd) [**Concentrated study period Dec 4th-8th**]
 - Chapter 16: The International Financial System and Monetary Policy
 - Review
- Finals Week (Week of December 9th)
 - No class
 - **Final Exam (Monday, December 9th from 5:30 - 7:30PM)**