



ECON 308: Banking and Monetary Policy

Credits: 3.0, Section(s): 010, 011, & 012

Fall 2023

Section 010: MWF 10:20 – 11:15AM

Section 011: MWF 11:30AM – 12:25PM

Section 012: MWF 12:40 – 1:35PM

Classroom: Alison Hall 133

In-person Student Hours:

Monday 1:45 – 3:00PM

Wednesday 9:00 – 10:00 AM

(425 Purnell Hall)

TA Office Hours:

Tuesdays 1:00 – 2:00PM

(250 Purnell Hall)

Virtual Student Hours:

Tuesday 11:00AM – 12:00PM

(Email and Zoom)

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1. Instructor Information and Introduction

Instructor Contact Information

Instructor name: Ryan Hanson
Instructor preferred pronouns: He/Him
Email address: rchanson@udel.edu
Office location: 425 Purnell Hall
Phone: (302) 831-8984

Special contact instructions: If you need to contact me, please use my UD email (rchanson@udel.edu). Please do not contact me through Canvas as there may be a delay. I will try my best to respond quickly but please allow some time (and a little more during the weekends). If you have not heard back in 12 hours, feel free to follow up.

Teaching Assistant Contact Information

TA name: Fatimah Bolarinwa
E-mail address: fatimahb@udel.edu

About the Instructor

I love teaching and I look forward to interacting with you throughout the semester about economics and other concerns you might have. Class time will be a mixture of lecture and active learning in order to involve you in an active discussion of the main principles and ideas. In class, you will **regularly work together with your classmates**. While things may be different than courses pre-COVID, we will do our best to socially distance while still safely engaging with each other.

2. Course Description

Description

In this course, we study the role of money, banking, and financial markets in the modern economy. We will learn the channels through which the financial sector can affect macroeconomic topics such as inflation, trade, employment, and aggregate output. We will assess the effects and efficacy of various policies on economic conditions and financial markets. Specific topics include central banking, monetary policy, financial institutions, banking regulation, and the financial crises. This course is not meant to directly train you for a career in finance, but instead aims to make you more aware of the influence of money and the financial market on people's well-being.

Prerequisites

Introduction to Macroeconomics (ECON 103) or equivalent.

Course Delivery

The course will be taught in-person. If needed, recordings may be available at the instructor's discretion. Any student requiring access to a recording should contact the instructor via email.

University/College/Department Requirements this Course Meets

GE1A- Read Critically
GE5A- Reason Quantitatively
GE5C- Reason Scientifically

3. Learning Outcomes

1. Students will be able to identify the functions of money and how money supply relates to interest rates, how interest rates are determined, and explain the behavior of interest rates in regards to monetary policy.
2. Students will be able to understand the importance of financial markets in both the domestic and international economies and identify the role of federal regulations, the central bank, and the operations of depository institutions.
3. Students will be able to identify key goals of monetary policy and explain issues affecting monetary policy discussion. They will be able to make simple policy recommendations in response to various economic conditions.
4. Students will be able to use the aggregate demand and aggregate supply model to explain and predict the effect of aggregate demand and aggregate supply shocks on real GDP, the unemployment rate, and inflation.
5. Students will be able to describe the goals of the Federal Reserve System and explain Federal Open Market Committee press releases.
6. Students will be able to explain a fractional reserve banking system, bank runs and bank panics, and why during the 2007-2009 recession a bank run occurred on investment banks.

4. Learning Resources

Required Learning Materials

Mishkin, F. *The Economic of Money, Banking, and Financial Markets. 13th Edition* (ISBN 9780136894353).

You will need a MyEconLab registration code for this course. Packages with an access code and eTextbook or physical copy of the text can be found on Pearson.com or through the UD Bookstore online store.

Previous editions of the book are available and may be cheaper, but purchase these at your own risk. Chapter order has changed over time so if you use older editions you should make sure to refer to chapter titles as you progress through the course. If you get a used/old copy, you need to make sure to purchase the MyEconLab code separately as most used copies do not include one.

Technology

Canvas: In this class, Canvas, UD's online learning management system, will be used for all course activities and communication channels. All assignment grades will be posted through the Canvas course site unless otherwise directed. Information on how to use Canvas is available through the [Canvas Student Guide](#). Canvas can also be accessed via [MyUD](#).

Zoom: In this class, Zoom may be used for video conferencing. If implemented, you will receive a meeting invitation with a specific web link and meeting ID number for use. Zoom is a web-based application that can be used from a computer, tablet, or phone. From a computer, click the class web link and be sure to install the small program that will download to your computer. You only need to install the program once. From a mobile device, download the free Zoom app and type in the class meeting ID number. A microphone and camera are recommended for online meetings. Information on how to test your computer's audio and video can be found on [Zoom's website](#). Learn more info about [Zoom at UD](#).

Student Hours (aka: Office Hours)

What are student hours? Student hours (also called office hours) are a dedicated time during the week for students to ask questions or engage in discussion about course content with their faculty member, TA, or other learning assistant.

5. Learning Assessment

Final Grade Breakdown

The final course grade will be calculated using the following components:

Course Component	Percentage of Total
MyEconLab Homework	15%
Class Preparation Assignments (CPA)	10%
In-Class Participation & Performance	5%
Topic Write-Up	10%
Midterm Exam #1	20%
Midterm Exam #2	20%
Final Exam	20%

As we proceed through the semester, feel free to reach out during my office hours if you would like to compute your current grade and/or estimates for what you need to get on an exam in order to achieve a certain grade.

MyEconLab Online Homework

There will be twelve online homework assignments using MyEconLab, of which **the lowest two homework grades will be dropped**. To encourage early registration and enrollment on MyEconLab, all students who **officially register and sign into the course via MyEconLab** and take a simple registration quiz on MyEconLab by **September 8th** will receive **2 extra credit points on your first exam**.

Each MyEconLab homework will consist of a varying quantity of multiple-choice or short analysis questions and **you will have two attempts to answer each question correctly**. **With exceptions to the first assignment**, homework assignments are due by 11:59PM the evening before the corresponding midterm exam. The chapter/date breakdown for the assignments are below:

(Bonus Registration due September 8th)

Homework 1	(Chapters 1-3)	September 15th
Homework 2	(Chapter 13)	October 4th
Homework 3	(Chapter 20)	October 4th
Homework 4	(Chapter 21)	October 4th
Homework 5	(Chapter 22)	October 4th
Homework 6	(Chapter 23)	October 4th
Homework 7	(Chapter 4)	November 8th
Homework 8	(Chapter 5)	November 8th
Homework 9	(Chapter 6)	November 8th
Homework 10	(Chapter 7)	November 8th
Homework 11	(Chapter 8-9)	December 11th
Homework 12	(Chapter 10,12)	December 11th

Any student missing a MyEconLab homework due to a long-term excused absence should inform me immediately (rchanson@udel.edu). If you miss a homework assignment and do not have an extended excused absence, you will receive a zero for that homework.

Class Preparation Assignments (CPAs)

While there is no formal attendance policy for this course, in order to ensure that students understand key concepts, attend class, and prepare for class there will be **ten** “Class Participation Assignments” (CPAs). These will be short 10 minute assignments, typically small quizzes, that will ask a few short questions related to the reading, previous lecture notes, or other class-related concerns. These assignments will be open note and I will allow you to work in small groups.

I will occasionally alert you to future assignments, but they will often be unannounced in order to encourage consistent class attendance. **The two lowest scores will be dropped. These scores are dropped in lieu of unexcused/excused absences, so please do not email me if you miss a class.** The top eight grades will be averaged and used in calculating your overall final course grade.

In-Class Participation and Performance

Solving real-world problems requires that you learn what to do when you get stuck. To get better at this process, we will work on in-class problems both individually and collaboratively. To engage students in interactive exercises in the classroom, there will be a variety of activities, handouts, and practice questions during class. You are expected to be actively engaged in the coursework and not be distracted.

Cell phones should be stowed in your bag during class time. Laptops and tablets should only be used to take notes or complete in-class assignments, when permitted. **Recent research has demonstrated that students who use laptops have a substantially worse understanding of lectures, nearby**

students are negatively affected by laptop use, and students who use electronic devices during class perform worse on exams. I highly encourage you print out the slide skeletons before class and fill them in paper-pencil style; you should also use a notebook to take any additional notes.

You begin the course with 50 out of 50 free participation and performance points. Your first violation of the policies above (either misusing technology or not participating in coursework) will result in a warning. Subsequent violations may result in a loss of one or more class participation points.

Topic Write-Up

Banking and monetary policy impacts our day to day lives in many ways and is often in the news. To relate core topics to real world events, you will be responsible for one 2-3 page (double spaced) write-up during the semester. You will be given a list of potential topics approximately 2 weeks into the course and will include a selection of example articles and texts to supplement your write-ups. I will go over the rubric and what is expected for the write-ups in class.

You must create a simple annotated bibliography for the three sources you plan to use in your paper. The annotated bibliography is due **September 22nd**. The paper itself is due by **October 27th**. I will provide a rubric for assistance in your writing and you are welcome to stop by my office hours with questions.

Midterm and Final Examinations

There are two midterm exams and one final exam each worth 20% of your final grade. The final exam is **cumulative**. The exams cover material from class, the text, and any additional assigned readings. **Exam 1 is on October 5th, Exam 2 is on November 9th, and Final Exam 3 is Sunday, December 17th at 8:00AM.**

We will be utilizing Out of Class Exams (OCX) for this course. This will allow students to have more time to show their understanding of the material. Exam 1 and 2 will be in both **SHL 130 and SHL131** (more details to come). Please arrive 10-15 minutes early to ensure that you are settled and prepared to take the exam. The final exam will be in **SMI 140.**

All exams are mandatory. A student who cannot take an exam on the scheduled date must contact the instructor within 24 hours of the exam and provide a **documented explanation** for their absence, as per in the Course Policies section below (University-sponsored athletic events, University-recognized excused absences approved by the student's dean's office). Excused absences do **not** include vacations, travel plans, temporary minor illnesses, work schedule conflicts, oversleeping, etc. Missing an exam for reasons that do not satisfy UD's criteria for University-excused absences will result in a grade of **zero** on the exam.

The instructor will not give make-up exams for the midterms. If a student cannot take a midterm exam and has a University-excusal, the instructor will shift the weight of the midterm exam to the final comprehensive exam. The instructor will schedule a make-up exam for the final exam only if the student has a university-excused absence, or if the student has a direct exam conflict (more than three exams on the same day). Students who have another exam that conflicts with the officially scheduled exam date must contact the instructor by **Friday, September 15th**.

Students unable to take the Final Exam on the scheduled date will receive a grade of “Incomplete” for the semester, and they will have to schedule a make-up final exam with the instructor during the first two weeks of the 2024 Spring semester.

Grading Scale

Students will be assigned the following letter grade based on the calculation from the course assessment section.

93 – 100	A	73 – 76.99	C
90 – 92.99	A-	70 – 72.99	C-
87 – 89.99	B+	67 – 69.99	D+
83 – 86.99	B	63 – 66.99	D
80 – 82.99	B-	60 – 62.99	D-
77 – 79.99	C+	0 – 59.99	F

6. Course Calendar

The following calendar is a tentative schedule and is subject to change as the class progresses. Students should regularly check Canvas and MyEconLab for the most up-to-date schedule of assignment due dates.

Date	Theme/Topic	Readings/Assignments Due
Week 1	Introduction (Chapters 1-3)	
Week 2	<i>[No Class 9/4]</i> Chapter 13: Central Banks and the Federal Reserve System <i>(And a little Chapter 14 & 15)</i>	Sep. 8 th : MyEconLab Registration Due
Week 3	Chapter 20: The <i>IS</i> Curve Chapter 21: The Monetary Policy and Aggregate Demand Curves	Sep. 15 th : Homework 1 Due
Week 4	Chapter 21: The Monetary Policy and Aggregate Demand Curves Chapter 22: Aggregate Demand and Supply Analysis	
Week 5	Chapter 23: Monetary Policy Theory	
Week 6	Chapter 23: Monetary Policy Theory Review for Exam	Oct. 4 th : Homework 2 – 6 Due Oct. 5 th : Exam 1 at 6:30PM in SHL 130,131

Date	Theme/Topic	Readings/Assignments Due
Week 7	Chapter 4: The Meaning of Interest Rates	
Week 8	Chapter 5: The Behavior of Interest Rates	
Week 9	Chapter 6: The Risk and Term Structure of Interest Rates	
Week 10	Chapter 7: The Stock Market, Theory of Rational Expectations, and the Efficient Market Hypothesis <i>[No Class 10/3]</i>	
Week 11	Chapter 7: The Stock Market, Theory of Rational Expectations, and the Efficient Market Hypothesis Review for Exam	Nov. 8 th : Homework 7-10 Due Nov. 9 th : Exam 2 at 6:30PM in SHL 130,131
Week 12	Chapter 8: An Economic Analysis of Financial Structure Chapter 9: Banking and the Management of Financial Institutions	
Week 13	[No Class, Thanksgiving Break!]	
Week 14	Chapter 9: Banking and the Management of Financial Institutions Chapter 10: Economic Analysis of Financial Regulations	
Week 15	Chapter 10: Economic Analysis of Financial Regulations Chapter 12: Financial Crises	
Week 16	Review for Exam	Dec. 11 th : Homeworks 11-12 Due
Final Exam	Sunday, December 17th at 8:00AM	Location: SMI 140

7. Course Policy Document

Course-Specific Policies

Makeup Policy

Late work will not be accepted. Makeup exams will not be given, as per the exam policy listed above. Those missing an exam with a university excused absence will have the corresponding percentage of their final grade reweighted to the final exam.

Attendance

While attendance will not be taken every lecture, the class preparation assignments (CPAs) aim to evaluate if students understand key concepts, attend class, and are preparing for class in advance. If you are unable to attend a class, I encourage you to come to student hours or meet with a classmate to review what you missed.

Absences on religious holidays listed in university calendars are recognized as an excused absence. Nevertheless, students are urged to remind the instructor of their intention to be absent on a particular upcoming holiday. Absences on religious holidays not listed in university calendars, as well as absences due to athletic participation or other extracurricular activities in which students are official representatives of the university, shall be recognized as excused absences when the student informs the instructor in writing during the **first two weeks of the semester** of these planned absences for the semester.

Communication

Announcements will be posted through Canvas. Students are responsible for checking Canvas regularly to check for any course communication. I encourage all students to set Canvas notifications so they receive an email when a new announcement is posted.

Student Mental Health & Wellbeing

In addition to impacting your overall well being, diminished mental health can interfere with optimal academic performance. If this course is causing or contributing significant mental or emotional stress, then please reach out to me directly. However, problems with other parts of your life can also contribute to decreased academic performance. UD's Center for Counseling & Student Development (CCSD) provides cost-free and confidential mental health services to help you manage personal challenges that threaten your emotional or academic well-being. Remember, getting help is a smart and courageous thing to do -- for yourself and for those who care about you.

- Contact me
 - If you are struggling with this class, please check-in during office hours or contact me by email at rchanson@udel.edu
- Check-in with your academic advisor
 - If you are struggling in multiple classes, unsure whether you are making the most of your time at UD, or unsure what academic resources are available at UD.
- UD's Center for Counseling & Student Development and UD Helpline
 - CCSD is open and available remotely, and 24/7 mental health support remains available on the UD Helpline at 302-831-1001 for any student in need of someone to talk to. Visit [CCSD's website](#) for additional information and resources.
- UD's Crisis Text Line
 - Text "UDTEXT" or "STEVE" at 741741 connect with a professional who specializes in supporting students of color via a confidential text message.
- Division of Student Life

- Explore the Student Life's [Wellbeing webpage](#) for a comprehensive listing of well-being resources, activities and services available to all students.

UD Academic Policies

The Safety of Our Learning Environment

Student learning can only occur when students and their instructors feel safe, respected, and supported by each other. To ensure that our learning environment is as safe as possible, you are expected to abide by the most up-to-date [University of Delaware's COVID-19 Guidelines](#),

Academic Integrity

Please familiarize yourself with UD policies regarding academic dishonesty. To falsify the results of one's research, to steal the words or ideas of another, to cheat on an assignment, to re-submit the same assignment for different classes, or to allow or assist another to commit these acts corrupts the educational process. Students are expected to do their own work and neither give nor receive unauthorized assistance. View the [university's academic integrity policies and procedures](#). Office of Student Conduct, 218 Hulliher Hall, (302) 831-2117. E-mail: student-conduct@udel.edu

Harassment, Discrimination, and Sexual Misconduct

Lauren's Promise- I will listen and believe you if someone is threatening you.

Lauren McClusky, a 21-year-old honors student athlete, was murdered on October 22, 2018 by a man she briefly dated on the University of Utah campus. *We must all take actions to ensure that this never happens again.*

The University of Delaware works to promote an academic and work environment that is free from all forms of discrimination, including harassment and sexual misconduct. As a member of the community, your rights, resource and responsibilities are reflected in the Non-Discrimination, Sexual Misconduct, and Title IX policy. Please familiarize yourself with this policy at the [University's Office of Equity & Inclusion's website](#). You can report any concerns to the University's Office of Equity & Inclusion, at 305 Hulliher Hall, (302) 831-8063 or you can report anonymously through UD Police (302) 831-2222 or the [EthicsPoint Compliance Hotline](#).

- Read the [full policy](#)
- [File a report](#)

Faculty Statement on Disclosures of Instances of Sexual Misconduct

If, at any time during this course, I happen to be made aware that a student may have been the victim of sexual misconduct (including sexual harassment, sexual violence, domestic/dating violence, or stalking), I am obligated by federal law to inform the university's Title IX Coordinator. The university needs to know information about such incidents to, not only offer resources, but to ensure a safe campus environment. The Title IX Coordinator will decide if the incident should be

examined further. If such a situation is disclosed to me in class, in a paper assignment, or in office hours, I promise to protect your privacy--I will not disclose the incident to anyone but the Title IX Coordinator.

For more information on Sexual Misconduct policies, where to get help, and reporting information, please refer to www.udel.edu/sexualmisconduct. At UD, we provide 24/7/365 crisis assistance and victim advocacy and counseling. Contact 302-831-1001 to get in touch with a sexual offense support advocate, as well as confidential and anonymous counseling services for other concerns.

Accommodations for Students with Disabilities

Any student who may need an accommodation based on a disability should contact the Office of Disability Support Services (DSS) office as soon as possible. For more information, please visit [Getting Registered at DSS](http://www.udel.edu/dss). Contact DSS by phone: 302-831-4643; fax: 302-831-3261; website: www.udel.edu/dss; email: dssoffice@udel.edu; or visit 240 Academy Street, Alison Hall Suite 130 during business hours (8-5 M-F).

Non-Discrimination

The University of Delaware does not discriminate against any person on the basis of race, color, national origin, sex, gender identity or expression, sexual orientation, genetic information, marital status, disability, religion, age, veteran status or any other characteristic protected by applicable law in its employment, educational programs and activities, admissions policies, and scholarship and loan programs as required by Title IX of the Educational Amendments of 1972, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Title VII of the Civil Rights Act of 1964, and other applicable statutes and University policies. The University of Delaware also prohibits unlawful harassment including sexual harassment and sexual violence.

For inquiries or complaints related to non-discrimination policies, please contact: Office of Equity & Inclusion- oei@udel.edu, 305 Hullihen Hall Newark, DE 19716 (302) 831-8063

For complaints related to Section 504 of the Rehabilitation Act of 1973 and/or the Americans with Disabilities Act, please contact: Office of Disability Support Services, dssoffice@udel.edu, Alison Hall, Suite 130, Newark, DE 19716 (302) 831-4643 OR contact the [U.S. Department of Education - Office for Civil Rights](http://www.ed.gov)