

Money, Banking, and Financial Institutions
Econ 353
TR 11:00-12:20, Kildee 105

Instructor: Dmitry Asinski

Office: 280E Heady Hall

Phone: 294-7236

Email: dasinski@iastate.edu (the best way to reach me)

Office hours: TR 10:00-11:00, 12:20-1:00, and by appointment

Webpage: <http://www.econ.iastate.edu/classes/econ353/Asinski/> (the web-page will be updated all the time over the course of the semester)

TA: Ying Huang (yingh@iastate.edu)

TA Office hours: T 1:30-3:00, and W 4:00-5:30 in Econ Help-Room (180 Heady Hall)

Texts:

Required:

Frederic S. Mishkin, *The Economics of Money, Banking, and Financial Markets*, 7th edition update, Addison-Wesley, 2006.

Additional texts:

Stephen G. Cecchetti, *Money, Banking, and Financial Markets*, McGraw-Hill Irwin, 2006.

Grading policy:

The evaluation will be based on the following schedule:

Homework and class participation	15%
Midterm Exam 1	25%
Midterm Exam 2	25%
Final Exam	35%

Homework and Exams:

There will be two midterm exams and one final exam. Each midterm will carry the same weight and will be non-cumulative. The **first midterm** will cover the material of the first five weeks; it **will be held in class on Thursday, February 23**. The **second midterm** will cover the material of the weeks six through ten; it **will be held in class on Thursday, April 6**. The final exam will be cumulative with relatively larger weight placed on the last part of the course (weeks 11 through 15).

There will be no make-up exams. If you miss the midterm exam you will be assigned a zero for it, unless you have a well-documented proof of medical or family emergency. In the latter case, the other two exams will carry proportionately higher weight. You must take final to pass the course.

In addition, I will give 12 homework assignments during this semester. The assignments will typically be given out on Thursdays and will be due in a week next Thursday in class. This deadline will be enforced because I will post the answers to each homework assignment on the webpage on the day it is due. You may work in groups on the homework, but each of you still has to turn in a copy of the solution. It is important that you do your homework because the exams will contain problems similar to the ones given in the homework assignments.

Below is the tentative schedule of homework assignments:

	Distributed	Due
hw1	Thursday, Jan 12	Thursday, Jan 19
hw2	Thursday, Jan 19	Thursday, Jan 26
hw3	Thursday, Jan 26	Thursday, Feb 2
hw4	Thursday, Feb 2	Thursday, Feb 9
hw5	Thursday, Feb 9	Thursday, Feb 16
hw6	Thursday, Feb 23	Thursday, Mar 2
hw7	Thursday, Mar 2	Thursday, Mar 9
hw8	Thursday, Mar 9	Thursday, Mar 23
hw9	Thursday, Mar 23	Thursday, Mar 30
hw10	Thursday, Apr 6	Thursday, Apr 13
hw11	Thursday, Apr 13	Thursday, Apr 20
hw12	Thursday, Apr 20	Tuesday, Apr 25

Course Description:

In this class we will discuss a variety of topics related to financial markets and institutions. In particular, we will talk about the evolution of money the role it plays in an economy. We will also cover central banking and the conduct of monetary policy, commercial banking and banking regulation, the behavior of interest rates, portfolio choice, financial derivatives and risk hedging strategies. We will pay particular attention to the fact that the financial system is constantly evolving. A few principles that are important for understanding this evolution process will be examined.

If you require any special arrangements (e.g., due to disability), please let me know as soon as possible. In general, if you have any problems/concerns, please feel free to contact me at any time through email.