

# Syllabus

ECON 2035, version 3.0

Effective: January 2022

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## ECON 2035-Money, Banking, and Macroeconomic Activity

**Course Description:** Using basic economic principles to explain financial markets, financial institutions and internal and external effects of U.S. fiscal and monetary policy.

This course has the following broad learning objectives:

1. To explain the basic concepts related to money, banking, financial markets, monetary policy, and economic activity,
2. To use economic theory to analyze how financial markets react to changes in money and monetary policy,
3. To use economic theory to predict how changes in money and monetary policy affect financial markets and the economy.

## Textbooks and Other Materials

ODL is not responsible for student purchases that result in the receipt of the wrong materials. It is the responsibility of the student to order the correct textbook materials. Courses are written to specific textbook editions; edition substitutions are not allowed.

**Textbook:** Frederic S. Mishkin. *The Economics of Money, Banking, and Financial Markets*, Thirteenth Edition. Pearson, 2022

ISBN-10: 0-13-689435-6

ISBN-13: 978-0-13-689435-3

MyEconLab is a strongly recommended but not required course resource. There are study activities provided in each module that require access to MyEconLab. We strongly recommend purchasing the bundle option for the eTextbook with MyEconLab access.

Textbook and MyEconLab resources may be purchased using the links in the Getting Started module in your course.

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### **Ordering Information:**

Please review the following tips for ordering your course materials:

1- Do not purchase your textbooks until your enrollment is approved. During the processing period, a new section may be opened that could require a different textbook or edition.

2- *Always order by the ISBN.* Publishers and vendors often offer the same textbook title under different ISBNs. You must have the correct ISBN to access your online website.

3- If you are having problems locating a textbook, contact us at [Answers@outreach.lsu.edu](mailto:Answers@outreach.lsu.edu) for assistance.

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### **Other Materials and Resources**

MyEconLab for ECON 2035 is a strongly recommended course resource.

**Software:** Web Browser, Adobe Acrobat Reader

It is recommended that you use Mozilla Firefox or Google Chrome as your web browser. Internet Explorer is not compatible with your Moodle course site.

Adobe Acrobat Reader is required to view PDF document files.

**Hardware:** Web cam with a microphone (built-in or external), headphones or working speakers, and high-speed internet

Exams are completed online and require the hardware listed above. Students are encouraged to review the technical requirements provided on the ProctorU website and to perform a test on their equipment prior to enrolling in this course to make sure they have the necessary resources available.

**Technical Requirements:** <http://www.proctoru.com/tech.php>

**Equipment Test:** <https://go.proctoru.com/users/55445/system-metrics/new>

## Nature and Purpose of the Course

**Course Outcomes:** Upon completion of this course, students are expected to be able to:

1. Explain the basic concepts related to money, banking, financial markets, monetary policy, and economic activity,
2. Use economic theory to analyze how financial markets react to changes in money and monetary policy,
3. Use economic theory to predict how changes in money and monetary policy affect financial markets and the economy.

Economic and financial crises occur periodically. One of these crises took place recently in 2007. This was a global crisis, and it was the most severe crisis since 1930. A financial turbulence initiated by securities which were backed by subprime mortgages in the U.S. infected the entire financial system and led to a global financial crisis and a global recession. Housing prices fell sharply, financial markets tumbled, stock prices declined by almost 50 percent, the GDP contracted sharply, and the unemployment rate rose above 10 percent. The global financial crisis and measures taken by central banks and policymakers around the world indicate the importance of studying money, banking, and financial markets.

Financial markets are crucial in promoting economic growth and economic efficiency. They also have a direct effect on personal wealth, business and consumer behavior, and the cyclical performance of the economy. By studying financial markets such as bond and stock markets, you will understand the reasons why interest rates and stock prices rise and fall over time. By studying financial institutions and banking, you will understand the crucial role played by these institutions in the economy.

Money and monetary policy play a very important role in the determination of the inflation rate, interest rates, and economic fluctuations. By studying money and monetary policy, you will understand what the Federal Reserve and other central banks can and cannot do in stabilizing the economy and the financial system.

In addition, the consequences of the coronavirus pandemic, one of the signature events of the twenty-first century, that spread throughout the world in 2020, information on bitcoin or other cryptocurrencies, the emphasis of the independence of the Federal Reserve System and financing the Green New Deal have been explored throughout the textbook.

## Working with the Course Materials

Please remember our course syllabus is a contract between you and me. We will honor this contract while you are studying ECON 2035.

ECON 2035 covers an entire semester of work or the equivalent of a classroom course lasting 15 weeks. That means that each module in this course equals nearly a week of course work and will require the same time and effort on your part. Please take your time while preparing the module assignments.

Each module contains information, activities, and assignments organized under a consistent series of headings. Each module is organized into the following sections: the Module Learning Objectives, the Module Material, the Reading Assignment, an ungraded MyEconLab Chapter Practice Quiz (recommended but not required), and the graded Module Assignment. You should work through these parts of the module in order. Completing the following sequence is strongly encouraged for each module.

Each module specifies the reading assignment, lays out the module objectives, and lists the key terms. Before you begin to prepare your module assignment, read the assigned chapter carefully with the module objectives and key terms in mind. Graphs are very useful in economic analysis. Study these graphs carefully and understand how they work. When you finish reading the assigned chapter, review the questions and problems at the end of the chapter and do the Sample Tests and Quizzes for the relevant chapter in MyEconLab. After completing these steps, you can start working on your Module Assignment that will be submitted.

## Suggested Study Techniques

1. Carefully review the module objectives to help you focus on the information that will be covered on the exams.

2. Concentrate on the reading assignments, and any additional resources provided. This review should include a detailed examination of any illustrative problems and examples/applications.

Power Point Presentations (PPP) are supplementary materials. Reviewing them (without reading your textbook) is not good enough to learn and prepare for the module assignments. Reading your textbook and concentrating on the graphs and the examples/applications in the chapters are essential while studying ECON 2035.

3. Put yourself on a definite schedule. Set aside a certain block of hours per day or week for this course and work in a place where distractions are minimal.

4. Try to submit one assignment each week or at least every two weeks. Delays in submitting assignments usually result in lagging interest and the inability to complete the course.

5. Regardless of how you complete your graded assignments, keep in mind that module completion should not be your sole preparation for your exams. As with any college course, you should study for your exams by reading your textbook, going over the examples/applications in your textbook in addition to reviewing your assignments. Make sure that you have actually learned (understand and remember) the concepts/material before you take your midterm and final exams.

## Reading Assignments

To do well in this course, it is essential that you read and study all the course materials that precede the module assignments. Do not begin the module assignment until you have done so.

## Topic Outline

This course covers the following specific topics:

Module	Topic	Chapter in Textbook
01	Why Study Money, Banking, and Financial Markets, and An Overview of the Financial System	1&2
02	What is Money and The Meaning of Interest Rates	3&4
03	The Behavior of Interest Rates	5
04	The Risk and Term Structure of Interest Rates	6
05	The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis	7
06	Foreign Exchange Market	17
07	Economic Analysis of Financial Regulation	10
<b>Mid-Course Examination</b>		
08	Central Banks and the Federal Reserve System	13
09	The Money Supply Process	14
10	Tools of Monetary Policy	15

11	Conduct of Monetary Policy: Strategy and Tactics	16
12	Aggregate Demand and Aggregate Supply Analysis	22
13	Monetary Policy Theory	23
14	Banking and the Management of Financial Institutions	9
15	Financial Crisis	12

### **Final Examination**

## **Module Assignments**

Each module assignment is a multiple-choice quiz worth 100 possible points. Questions cover module material and textbook reading assignments. The quiz is not timed but you have only one attempt.

You should submit each module assignment as soon as it is completed. Once you submit an assignment, you cannot revise it.

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### **Questions Concerning Module Assignments**

Please email your instructor ([tkoray@outreach.lsu.edu](mailto:tkoray@outreach.lsu.edu)) if you have questions regarding specific module assignment questions. When you e-mail your questions, include the course name, module number and the question number.

Example: ECON 2035, Module # 1, Question # 1.

Do not copy and paste module assignment questions via the course forum. You may ask a question about a concept and the subject matter will be clarified through the forum. However, if you have a specific assignment question, please send the instructor an e-mail following the above pattern.

Every effort will be made to respond your emails within 48 hours or earlier.

For all administrative questions, email [Answers@outreach.lsu.edu](mailto:Answers@outreach.lsu.edu).

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### **Permission to Take the Final Exam**

You must have a grade posted in the Moodle grade book for the Module 15 assignment to unlock access to the Final Exam. Please allow at least seven days for the final assignment grade to be posted in the gradebook. Understand that occasional delays will occur, such as during holidays and semester breaks or if you submit several module assignments within the same week. You must have been enrolled in the course for at least three weeks, regardless of when the modules and other exams are completed.

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## **Academic Integrity**

Students in Online Distance Learning (ODL) courses must comply with the *LSU Code of Student Conduct*. Suspected violations of the academic integrity policy may be referred to LSU Student Advocacy & Accountability (SAA), a unit of the Dean of Students. If found responsible of a violation, you will then be subject to whatever penalty SAA determines and will forfeit all course tuition and fees.

### **Plagiarism**

Students are responsible for completing and submitting their own course work and preparing their own modules. All work submitted in the course modules must be the student's own work unless outside work is appropriate to the assignment; all outside material must be properly acknowledged. It is also unacceptable to copy directly from your textbook or to use published answer keys or the teacher's edition of a textbook.

### **Collaboration**

Unauthorized collaboration constitutes plagiarism. Collaborative efforts that extend beyond the limits approved by the instructor are violations of the academic integrity policy. Students who study together are expected to prepare and/or write their own individual work for submission and grading.

For more information and links to the LSU Code of Student Conduct and the SAA website, go to the ODL Academic Integrity Policy on our website.

### **Disabilities**

The University is committed to making reasonable efforts to assist individuals with disabilities in their efforts to avail themselves of services and programs offered by the University. To this end, Louisiana State University will provide reasonable accommodations for persons with documented qualifying disabilities. If you have a disability and feel you need accommodations in this course, you must present a letter to me from Disability Services in 115 Johnston Hall, 225-578-5919 or [www.lsu.edu/disability](http://www.lsu.edu/disability), indicating the existence of a disability and the suggested accommodations. All discussions will remain confidential.

## **Diversity, Equity & Inclusion**

At LSU, we accept personal and professional responsibility to eliminate bias and oppression wherever they are found. We understand our obligation to speak up when we see bias whether it be in our teaching, study, or daily work. Our community will educate themselves proactively and continuously about how to intervene and bring bias to the attention of others with commitment and compassion.

We will hold ourselves accountable for our actions and inactions, and for maintaining intentional, measurable, and meaningful efforts to enhance diversity, equity, and inclusion, including through ongoing evaluation of our policies, practices, and procedures.

## **Nondiscrimination, Sexual Harassment, & Title IX**

LSU provides equal opportunity for all qualified persons in admission to, participation in, or employment in the programs and activities which the university operates without regard to race, creed, color, marital status, sexual orientation, gender identity, gender expression, religion, sex, national origin, age, mental or physical disability, or veteran's status. LSU has implemented a procedure to address complaints for those who believe they have been subjected to discrimination and/or harassment in violation of this policy. Please know that your instructor is here to support you and listen to your experience. The [Office of Civil Rights & Title IX](#) is the LSU office responsible for investigating complaints regarding any type of discrimination, sexual harassment, or power-based violence. The [Office of Civil Rights & Title IX](#) is located in 118 Himes Hall and the phone number is 225-578-9000. If you are aware of an individual who has been victimized, you are encouraged to contact the [Office of Civil Rights & Title IX](#) or file an online report by going to [www.lsu.edu/support](http://www.lsu.edu/support) and clicking the Report An Incident box.

## **Examinations and Grading Policy**



There will be two multiple-choice examinations. The mid-course exam follows Module 07 and covers material from Module 01-07. The final exam follows Module 15 and covers material from Module 08-15 only. Each exam consists of approximately 50 multiple choice questions. The use of a simple nonprogrammable calculator is permitted during exams. However, calculators on mobile devices (cell phones, tablets) are not permitted. No textbooks, notes, or other study aides are allowed during exams.

Students are permitted to use a word processor (such as Word or WordPerfect) or spreadsheet (such as Excel) as electronic scratch paper, but the student is not allowed to copy or save any information from the file. Web-based word processors or spreadsheets are not allowed. You can also use dry erase white board (no bigger than 9"x12"). No other form of scratch paper is allowed.

Per university policy and per instructor's policy, there will be no additional assignments for extra credit while taking this course or once you finish the course. Except for correction of an error, final course grades are not open for discussion or negotiation. You can not retake the midterm exam and the final exam. Courses offered through the Division of Continuing Education are not eligible for grade exclusion. If you like to drop the course, please check the details with the office of Online Distance Learning (ODL). Please email [Answers@outreach.lsu.edu](mailto:Answers@outreach.lsu.edu).

You will have a maximum of three hours to complete the exam.

- Module assignments count 100 points each.
- Exams are 100 points each.

**YOU MUST EARN A PASSING AVERAGE ON THE EXAMINATIONS IN ORDER TO PASS THE COURSE.**

Meaning, the total of your exams (midterm and final exam) must be, at least, 120 (60+60 or 58+62 or 56+64, etc.).

If you earn a passing average on your exams, your course grade will be calculated as follows.

Final Course Grade = Average of Module Assignments (30%) + Midterm Exam (35%) + Final Exam (35%)

Please see the following table:

Course Grade=

Component	Weight (%)
Average of Module Assignments	30%
Mid-Course Exam	35%
Final Exam	35%

The following grading scale applies:

97% - 100%	=	A+
93% - 96%	=	A
90% - 92%	=	A-
87% - 89%	=	B+
83% - 86%	=	B
80% - 82%	=	B-
77% - 79%	=	C+
73% - 76%	=	C
70% - 72%	=	C-
67% - 69%	=	D+
63% - 66%	=	D
60% - 62%	=	D-
0% - 59%	=	F

**IMPORTANT:** The final exam cannot be taken until you meet the following requirements. Under no circumstances may the final exam be taken earlier.

1. You must have been enrolled in the course for *at least three weeks*, regardless of when the assignments and other exams are completed.
2. You must have a *grade posted in the Moodle grade book for the Module 15 Assignment in order to unlock access to the Final Exam*. Please allow at least seven days for the final assignment grade to be posted in the gradebook.

To read the full exam policy and other policy statements, visit <http://www.outreach.lsu.edu/Distance-Learning/Online-Distance-Learning/Guidelines-Policies/Academic-Integrity>.

Go to Continuing Education's homepage. Click on *Extended Campus*, select *Online Distance Learning*, and then click the link for *Guidelines and Policies*.

## Taking Your Examinations

You are *required* to create a Louisiana State University ODL ProctorU account and to take your examinations through ProctorU, a remote proctoring service that allows you to take exams anywhere with internet access. Information on creating your ProctorU account can be found in the *Getting Started* module. You cannot use an account created through another university, so if you already have an account, you will still need to create an account associated with LSU Online Distance Learning (ODL).

The ProctorU website provides links you can use to find out how ProctorU works and to check your computer to see that it meets the technical requirements. In addition, to test using ProctorU, you need *access to a web cam with a microphone (built-in or external), headphones or working speakers, and high-speed internet* to use this service. A complete list of technical requirements is available from the ProctorU website.

You should schedule your exams about a week before you are ready to take them in order to avoid any additional charges. Please remember:

- It is your responsibility to allow yourself a full three hours to complete your exam with ProctorU.
- It is your responsibility to submit Module 15 Assignment timely. You must have a grade posted in the Moodle grade book for the Module 15 Assignment in order to unlock access to the final exam.
- If you are unable to complete all of your assignments and not have enough time for preparing the final test, it is your responsibility to submit an extension request prior to your course terminates.

## Transcript Information

After you have completed this course, your grade will be filed with the Office of the University Registrar. In order to receive a transcript, you will need to submit a transcript request with the [Office of the University Registrar](#). Please select the "Order Online" option, go to "Online Distance Learning Students," and select the "Credentials Solutions" link to submit your request online.

There is an option to request an electronic/PDF version of the transcript as well as have a hard copy mailed to a designated address.

## Copyright

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BATON ROUGE, LOUISIANA

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LSU ODL Adjunct Faculty of Economics

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ED/TK