

This course provides an overview of the nature and role of **MONEY AND MONETARY POLICY** in modern economies; the role, operation, and regulation of **BANKS** and other depository institutions; an introduction to **FINANCIAL MARKETS**, institutions, and instruments; a taste of **INTERNATIONAL MONETARY AND FINANCIAL ISSUES**; along with simultaneous coverage of **INVESTMENT AND SOME PERSONAL FINANCE**. The ultimate **OBJECTIVE** of the course is to provide students with a **life-long** understanding of the basics of money, banking, the financial system, and investments. Above all, this is intended to be an **interesting, important, useful, and demanding** course dealing with issues you will certainly face in your **private, public, and professional lives** and which will provide you with **useful and usable skills and insights** (but no **cookies** this semester).

Instructional Goals: Consistent with the *Learning Goals of the Economics Department*, students will develop and demonstrate economic literacy, numeracy, citizenship and scholarship in the area of the economics of money, banking, and the financial system. Specifically, successful students will demonstrate through examinations, projects and homework assignments that they have gained:

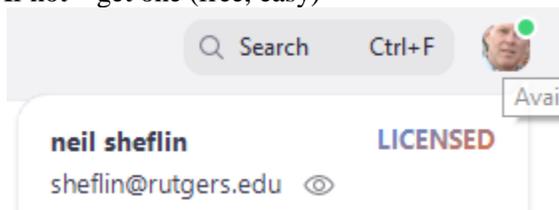
- an understanding of monetary theory and policy, and the functions, instruments and markets of the banking and financial system as well as financial investment.
- the ability to graphically and statistically examine monetary and financial variables, relationships and models
- the tools necessary to understand and analyze current issues and policies involving money, the financial system and the monetary aspects of the economy
- an understanding of the basics of personal investing

ONLINE ZOOM NOT-REQUIRED CLASS MEETING TIMES, OFFICE HOURS, SAKAI, WEB ACCESS, EMAIL

There is **no fixed, required online meeting time**. All required classes will be recorded and available 24/7. The due dates and recordings will be **scheduled as though the class meets twice a week**, at days and times that a majority of students indicate to be best for them. All zoom classes will be recorded and available on Sakai. All students will be responsible for attending the live sessions or viewing the recorded lectures, or both (if you can't get enough of me) but attendance at the live zoom lecture is NOT required. Lecture PowerPoints will be posted as well as extensive notes in each week's assignment.

You **MUST**** signup for and use a RUTGERS ZOOM ACCOUNT *here's how***

- **to see if you are signed in with a ****RUTGERS ZOOM ACCOUNT****** - start zoom app and click on your picture or initials on the upper right side and see if it says LICENSED – if so, you are signed in with a ****RUTGERS ZOOM ACCT**. If not – get one (free, easy)



- **If not**, get a Rutgers zoom account by following these instructions – <https://it.rutgers.edu/zoom/knowledgebase/how-to-create-your-rutgers-zoom-account/> (takes 1 minute) and then sign-out of zoom and then sign back in using SSO, providing your domain (Rutgers) and then using your netid and password when asked.
- **If you do not use the ****RUTGERS ZOOM ACCOUNT****** to join the class zoom session, you will be put into the waiting room (maybe forever).
 - all of this is to prevent zoom-bombing etc

My Economics Department web page is: <http://econweb.rutgers.edu/sheflin/> - it has a lot of links, some of which you will hopefully find useful. However, virtually all of the course material will **ONLY** be available through **Sakai** <http://sakai.rutgers.edu> . You are responsible for checking announcements, grades, and the chat rooms frequently.

My **office hours** will be announced later and will be online through ZOOM. Note that office hours are to discuss personal issues, the meaning of life, and jazz. Class questions should be asked in the Q&A classes if possible, or posted on the chat rooms first.

EMAIL (NO) Any and all course related questions should be posted on the appropriate CHAT ROOM in Sakai. Email is **ONLY** for very personal issues (health, family problems, etc.) and I will generally not respond to email that can and should be posted on the chat room. My email is sheflin@rutgers.edu . If you do email, make sure to indicate which course you are in (mbf) and please email from a Rutgers email address.

HOW THE COURSE WILL WORK

- **Before** the first ‘class’ of each week you will complete the **ASSIGNMENT** posted under **SYLLABUS, WEEKLY ASSIGNMENTS AND RESOURCES** in Sakai the previous week (i.e. assignment 2, due by week 2, will be posted week 1). Assignments (and multiple choice hw) will be due before the first ‘class’ of the week. You will do the required readings, problems, and an **online graded multiple choice homework quiz (in WEEKLY HW QUIZZES)** and other assigned items contained in the **assignment BEFORE** the first ‘class’ of the next week. Note that the **readings** are backbone of the course and are required. Further, it is **up to you to look for answers to questions** and problems, even if not in the readings (hint: **google, Wikipedia, Investopedia, chat room, Q&Aetc**).
- It is also **ESSENTIAL** to **POST QUESTIONS** on the chat rooms and/or ask during ‘lecture’ (if you attend) – do not stay uninformed.
- You will be at least **SKIMMING THE FREE, ONLINE WALL STREET JOURNAL DAILY**, focusing on articles dealing with material related to the course (or the Kardashians). . You will be tested on your awareness of the world of macro.
- You will use my Quizlet **FLASHCARDS** to help you learn key definitions, concepts, analyses.
- You will interact with me and with each other through online class (optional), and online **CHAT ROOMS** for homework and other questions you have trouble with, as well as for “when, how, what” questions and other course related issues (email is **ONLY** for very personal issues)
- In Zoom class (live or recorded), we will deal with current events, applications, homework review for tough questions, – there will be little straight lecturing.
- We will be playing **an online STOCK INVESTING GAME**, and using various simulators and data bases in the course,
- There will be **EXTRA CREDIT PROJECTS** available
- There will be **5 online quizzes**-one about every 3 weeks, and **no** midterm or other exams (except the final). A large part of your grade will depend on an **ONLINE, COMPREHENSIVE, CUMULATIVE MULTIPLE CHOICE FINAL EXAM** at the end of the course covering all the material, encouraging you to learn the material for the **long-run**. (ignore Keynes here)

GRADING *(subject to minor revision)*

Grades in the course will be based on **weighted total points** from

- **graded, online, multiple choice homework quiz** due before each class (**20%**), lowest several dropped
- five **online multiple choice quizzes (30%)**, lowest one dropped
- a **COMPREHENSIVE ONLINE MULTIPLE CHOICE FINAL EXAM** reflecting what you know at the end of the course (**50%**) – you will hate the heavy weight on the final – but it is intended to encourage you to study and learn the material for the long-run, not cram, and to give students who ‘get-it’ late in the course a chance (and an incentive) to do well.
- There will also be **EXTRA CREDIT PROJECTS** worth up to 1/2%. and lesser extra credit for documented online use of the **Learning Center(s)** or special seminars and talks.

PARTICIPATION is **required** – students must do the weekly readings, hw quizzes, and attend (optional) or view the lecture/class videos and post questions on the chat rooms, take the five quizzes, and of course, the final exam.

SUBSTANTIAL MISSED WORK WILL LOWER YOUR COURSE GRADE

PROBLEMS, QUESTIONS – Post on the **PROBLEMS AND QUESTIONS CHAT ROOM** in Sakai. **DON’T EMAIL unless personal** (health, family emergencies, etc).

TEXTBOOK **NO REQUIRED TEXTBOOK but REQUIRED weekly required readings**

The course will use extensive online sources and each weeks **ASSIGNMENT** posted on sakai the week before, will indicate the required readings which are, **required** (duh).

FRBSF **Economic Letter**

2018-18 | July 9, 2018 | Research from the Federal Reserve Bank of San Francisco

Fiscal Policy in Good Times and Bad

Tim Mahedy and Daniel J. Wilson

Thanks in large part to recently enacted tax cuts, U.S. fiscal policy has taken a decidedly procyclical turn—providing stimulus when the economy is growing. In fact, the projected increase in the federal deficit over the next few years would represent the most procyclical fiscal policy stance since the Vietnam War. This matters because many recent studies have found that fiscal stimulus has a smaller impact when the economy is strong, implying that the

There are a number of ‘standard’ and expensive Money and Banking textbooks. You may wish to pick up a new or used copy of one as a **supplement** if you feel you need it. *This is entirely up to you.*

- **The Economics of Money, Banking, and Financial Markets** 12th or 11th editions Frederick Mishkin
- **Money Banking and Financial Markets 2nd edition** or later, Laurence Ball, 2012
- Others by Cecchetti, by Hubbard&OBrian, Croushore and more are available.



Also REQUIRED – daily perusing (look it up) of the FREE, ONLINE WALL STREET JOURNAL, focusing on articles dealing with material related to the course, the economy, the world (or the Kardashians). . Create an account here –watch out for ads, buy-ins, etc – should be entirely free

<http://wsj.com/Rutgers> or google it

FLASHCARDS Most students found the Quizlet flashcard sets I posted very helpful for studying for quizzes and the final and for learning the material. They will be released every two or three weeks.

ACADEMIC INTEGRITY

Do not cheat, the penalties are severe, it is wrong, and in the long-run, you will not benefit.

Do not:

- copy someone else’s homework or have someone help with yours, or helping someone with theirs
- use the text or other sources when doing the homework (read first, test yourself with the hw afterwards)
- Using someone else’s words or thoughts without citing them is also cheating.
- using notes, books, flashcards, or anything else during the quizzes or final exam
- working with or giving or getting help to someone else for hw, quizzes, and/or the final exa,.

LEARNING CENTERS provide online tutoring. There will be (small) extra credit given for using them. More information later.

PRIVACY while recordings of our class meetings in Zoom Sessions will be made available, they are only for individual student course use. Redistribution or any other use is forbidden. If you do attend the live Zoom class recording sessions, please have your camera on unless there is a technical (low bandwidth) or other reason not to do so.

ODS ACCOMODATIONS If you are entitled to accommodations thru ODS, please email me confidentially and explain what you need. Be sure to mention Intro Macro.

SCHEDULE

ASSIGNED READINGS are shown on each week’s **ASSIGNMENT** which will be posted in Sakai under **RESOURCES** – these are **REQUIRED** and essential to do well in the course. **YOU MUST LOOK AT EACH WEEK’S ASSIGNMENT IN SAKAI TO SEE ADDITIONAL READINGS, AND CHANGES.** In addition, following the reading and other activities shown in the Assignment in Sakai each week, there will be **HOMEWORK** in the form of online multiple choice questions, due **BY OR BEFORE** the first ‘class’ of the week in which they are shown. They will be available in Sakai f the week **before** they are due, Late assignments will not be accepted (except in cases of illness, etc).

Class/ Week of	Topic and notes. IMPORTANT – reading assignments are contained in each weeks ASSIGNMENT posted in Sakai under RESOURCES / ASSIGNMENTS	Reading
1 1/18	Money, Banking and the Financial System and Crises one ‘class’ this week	See assignment 1
	MONEY	

2 1/25	Money and the Payments System Tuesday 9/8 is Monday schedule, nothing due and no recording/class Due date/optional zoom class/recording Thursday 9/10	See assignment 2
	MONETARY THEORY	
3 2/1	How the Economy Works -- Short-Run and Long-Run Macro Models <i>invest 0 – overview</i>	See Assignment 3
4 2/8	The Role, Creation, and Control of Money <i>invest 1-stock Quiz 1</i>	Etc.
	THE FED AND MONETARY POLICY	
5 2/15	The Structure and Role of the Fed and other Central Banks <i>advise - college etc Resume</i>	”
6 2/22	Goals & Tools of Monetary Policy <i>invest 2A-more stock</i>	”
7 3/1	Strategies and Issues of Monetary Policy <i>chair game</i> Quiz 2	“
	BANKS AND OTHER INTERMEDIARIES	
8 3/8	Banking Basics <i>invest 2B – more stock</i>	“
3/12 -3/20	Spring Break	
9 3/22	Banking – Evolution ,Structure, Regulation and Crises <i>advise - careers</i>	“
	THE FINANCIAL SYSTEM	
10 3/29	The Financial System <i>Invest 3-mutual funds Quiz 3</i>	“
11 4/5	Financial System Regulation <i>advise – grad school</i>	“
12 4/12	The Measurement of Interest Rates and Returns <i>invest 4-bonds</i>	“
13 4/19	Determinants of Interest Rates and Rates of Return Quiz 4	“
14 4/26	International Finance and Monetary Policy / The Financial Crisis <i>invest 5 – derivatives</i>	“
15 5/3	Money, Banking and the Financial System and Crises Quiz 5	
	FINAL EXAM tba	