IMPORTANT Class attendance is REQUIRED and unexcused absences from class may be grounds for failing the course.

What is Money? How is it created and controlled? Is it obsolete? Where are all the $500 bills? What’s a crypto currency (bitcoin)? How does it matter to the economy ( Monetary Theory)? To you (Personal Finance)? How do we pay for things (Payments System)? Is Janet Yellen the most powerful woman in the world? (and what is she doing?) Will she be ‘fired’ after the next election? Why should you care? How is Monetary Policy carried out and why? How has it changed in and after the 2007-9 Financial Crisis and Great Recession? Are Banks dying out? Should they? What do they do? How would you run a bank? How does the financial system work, and why did it almost melt down in 2007-08? What are some ways to get rich (or at least not poor) in the Stock or Bond (or Options or Futures (derivatives) markets? What will a weak dollar do to your career, to the U.S. economy? And what is a weak dollar? What’s going on in Europe, in the UK (international financial system)? And what’s with Dodd-Frank (financial regulation)?

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 (and some cookies).

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 and banking. 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

To take this course you MUST:

- Have high-speed access to the Internet often. (dorm, library, home, Starbucks)
- Make regular use of Sakai (Rutgers’ online course management system)
- Buy or obtain an iClicker brand clicker and bring it to class regularly (the same clicker can be used by ONE student in multiple classes but NOT by multiple students) – starting with the first class.
- Regularly attend class. UNEXCUSED ABSENCES MAY BE GROUNDS FOR FAILING THE COURSE and will lower your grade
- Participate in class and online chat rooms
- Complete graded weekly, on-line assignments which, along with reading, will take 4-6 hours per week.
- LOOK UP REQUIRED MATERIAL NOT CONTAINED IN THE READINGS.

You must NOT
• use a computer in class. If there is a special reason for needing to use one, please see me.
• use cell phones in class – not for calls, text messaging, or photographs/video.
• come late or leave class early.
• talk in class – it imposes external costs on others.
• Record audio or video in class without explicit written permission

If any of these are difficult for you, it will be necessary to take the course with a different instructor.

MEETING TIMES, WEB ACCESS, OFFICE HOURS
The class meets mTh 12-1:20PM Rutgers Cinema 1, Livingston, and online 24/7.

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 Tuesdays 2-3:30 in New Jersey Hall 403 CAC and other times by appointment. There will be a signup tool in Sakai to reserve a slot from 2-3, or you can drop in after 3 or if no one has previously scheduled for that time. Note that office hours are to discuss personal issues, the meaning of life, and sailing. Class questions should be asked in class or posted on the chat rooms first.

HOW THE COURSE WILL WORK
• Before each week’s classes, you will read/print the ASSIGNMENT for the next week posted under resources in Sakai, and generally available by the Wednesday of the week before it is due (i.e. assignment 2 will be posted by Wednesday of week 1)
• You will do the readings, problems, and online graded multiple choice homework and other assigned items contained in the assignment posted in Sakai BEFORE the first class of each week (generally Monday) . it is UP TO YOU TO FIND ANSWERS TO QUESTIONS and problems, even if they are not in the readings (hint: GOOGLE). It is also ESSENTIAL to POST QUESTIONS on the chat rooms and/or ask in class.
• It is also ESSENTIAL to post questions on the chat rooms and/or ask in class.
• You will make and use FLASHCARDS to help you learn key definitions, concepts, analyses
• You will interact with me and with each other through 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 class, we’ll deal with current events, applications, homework review for tough questions, all in question format with clickers – there will be little or no lecturing.
• We will be playing a stock investing game, and using various simulators and data bases in the course,
• There will be 3 short clicker quizzes during the semester, and a somewhat longer in-class clicker mini-midterm. But the bulk of your grade will depend on a COMPREHENSIVE, MULTIPLE CHOICE FINAL EXAM at the end of the course covering all the material and counting for the majority of your grade, encouraging to learn the material for the long-run. (ignore Keynes here)
• You will be reading print and/or online news sources.

GRADING
Grades in the course will be based on weighted total points from
• graded, online, multiple choice homework due before each class (10%), lowest several dropped
• three in-class clicker quizzes (10%), lowest one dropped
• a clicker mini-midterm (15%)
• class participation and testing with clickers every class (10%) with the lowest X days dropped (X will be revealed late in the course, 0 is a good number)
• a comprehensive multiple choice and short-answer Final Exam reflecting what you know at the end of the course (55%) – 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 2%. And lesser extra credit for documented attendance at the Learning Resource Center(s).

Significant number of absences without justification will be grounds for failing the course.
ATTENDANCE is **required** and reflected in clicker points from each class. As noted above, missing a class or two due to illness, etc. will not affect your grade as I will drop the lowest X days clicker points (I will tell you what X is later in the course). If you are out for a substantial period of time due to illness etc., or out due to official university activities, **see me** with documentation.

If you expect to miss **MORE** than two classes because of illness or a family emergency – **SEE ME**, before or after class. **You MUST** see me in person to explain **MULTIPLE** missed classes – do not see me for single classes as up to X are automatically excused (see above)

Note that **I DO NOT look at or use** the University absence reporting website https://sims.rutgers.edu/ssra/

**SUBSTANTIAL UNEXCUSED ABSENCES MAY BE GROUNDS FOR FAILING THE COURSE AND WILL LOWER A COURSE GRADE BY A LETTER GRADE (B TO C for example)**.

**TEXTBOOK**
Highly recommended and referenced, but not quite required is:
**Economics of Money, Banking and Financial Markets11/E**, Frederic S. Mishkin, ISBN-10: 0133836797 • ISBN-13: 9780133836790 ©2016 • Prentice Hall • Cloth, 704 pp. **NOTE**: comes with or is bundled with online tools which you may or may not use (MyEconlab). **IMPORTANT** if you do get the book, the **edition** is important as the world of money and banking has been changing rapidly. We will follow the **11th edition**

I will assign most chapters from the text, but there will be additional readings and notes which will overlap. It is possible to follow without the book, but probably difficult.

**Lots of ways to get the book.** The **cheapest and easiest** is likely online access (ebook) with their software tools (myeconlab) directly from the publisher’s webstore for about $110 (details later): For those who want print or need to purchase directly from the bookstore, I will order 5 of loose leaf versions of the print textbook (about $180) and 5 of the MyEconLab with etext (digital book – about $130) from the RU Bookstore and NJ Books. You can purchase the text any way and anywhere (or not at all).

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).

There will be **weekly supplementary reading** assigned (see each weeks assignment posted in RESOURCES) and students are expected to keep on top of economics and macroeconomic news through regular reading of online news sources (google news, Bloomberg, etc) and/or **New York Times, Wall Street Journal** and/or online sources (note the Journal has student subscriptions at about $1 per week: wsj.com/studentoffer) (Note, totally optional, I’ve paid for my own subscription)

**FLASHCARDS** essential for most students to truly learn the material. Write terms, theories, concepts, fact name on front, and define, explain, etc on back. Carry them everywhere and TEST yourself often. I’ll put some links up for pre-made flashcards for the course.
**ICLICKER** We will be using iClicker brand clickers which sell for about $45 new, with many available used for less. You **MUST** have your own clicker – you can share one with a friend IN A DIFFERENT CLASS but I would not advise this. You can buy a used one. You must bring your clicker to every class and must not bring someone else’s – there will be frequent checks for clickers that are in class when their owners’ are not.

There are 3 models of iclicker – the original one, an iclicker+ replacement for it and the iClicker2, more expensive, small screen, alphameric entry, - any will work for this course.

**DO NOT ORDER YOUR CLICKERS FROM A DISTANT SOURCE – YOU WILL NEED THEM FROM THE VERY FIRST CLASS**

**FLASHCARDS** are very helpful for most students to truly learn the material. We will likely use Quizlet, a free, online (and mobile) flashcard system

**ACADEMIC INTEGRITY**

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

- have someone click your clicker when you are not in class,
- talk about clicked questions unless you are told to do so,
- copy someone else’s homework or have someone help with yours,
- use the text or other sources when doing the homework or midterm, etc.

Using someone else’s words or thoughts without citing them is also cheating.

**AUDIO-VISUAL RECORDING (sound, still photos, video) OF CLASS is NOT** permitted without explicit written authorization of the instructor and notification of other students in the class, except where notification from the Office of Disability Services is provided.

**LEARNING CENTERS** provide tutoring. There will be (small) extra credit given for every time you go. [http://rlc.rutgers.edu/contact.shtml](http://rlc.rutgers.edu/contact.shtml) More information in class.

**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 class in which they are shown. They will be available in Sakai by Wednesday of the week **before** they are due.

<table>
<thead>
<tr>
<th>Class/ Week of</th>
<th>Topic and notes. IMPORTANT – reading assignments are contained in each weeks ASSIGNMENT posted in Sakai under RESOURCES / ASSIGNMENTS</th>
<th>Mishkin Chapter(s)</th>
<th>Other Reading</th>
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<tbody>
<tr>
<td>1 9/8 (Thurs)</td>
<td>Money, Banking and the Financial Crisis and Great Recession of 2007-2009 and only class this week on Thursday 9/8</td>
<td>1</td>
<td>See assignment 1</td>
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<td><strong>MONEY</strong></td>
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<td>2 9/12</td>
<td>Money and the Payments System last day to drop 9/13 last day to add 9/14</td>
<td>3</td>
<td>See assignment 2</td>
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<td><strong>MONETARY THEORY</strong></td>
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<tr>
<td>3 9/19</td>
<td>Money and Macroeconomics -- Short-Run and Long-Run Aggregate Demand and Supply and Inflation</td>
<td>22, (skim 20, 21), appendix</td>
<td>Assignment 3</td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Notes</td>
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| 4/9/26 | The Transmission of Monetary Policy  
*inv*est 1-stock *Clicker Quiz 1* | 19, 25      |
| 5/10/3 | The Structure and Role of the Fed and other Central Banks  
*madvice 1* - college etc  
*Resume* | "          |
| 6/10/10 | Money Creation and Control  
*inv*est 2A-more stock | "          |
| 7/10/17 | Old and New Tools, Goals and Strategies of Monetary Policy  
*Clicker Quiz 2*  
*chair game* | 15, 16, 24  |
| 8/10/24 | Banking Basics  
*inv*est 2B – more stock | "          |
| 9/10/31 | Banking - Evolution, Structure, Regulation  
*Last day to drop with a W is 10/31 madvice 3 - careers* | 11, 10      |
| 10/11/7 | The Financial System  
*Clicker Mini Midterm* covering weeks 1-9  
*Invest 3* - mutual funds | 2, 8        |
| 11/11/14 | More on the Financial System  
*inv*est 4-bonds  
*madvice 4* – grad school | "          |
| 12/11/21, 11/22 | The Measurement of Interest Rates and Returns  
*We meet both Monday and Tuesday – Tuesday follows Thursday Schedule  
Thanksgiving* | 4, 7        |
| 13/11/28 | Determinants of Interest Rates and Rates of Return | 5, 6        |
| 14/12/5 | International Finance and Monetary Policy  
*Clicker Quiz 3*  
*inv*est 5 – derivatives | 17, 18      |
| 15/12/12 | The Financial Crisis and Money and Banking  
*single class* - LAST CLASS | 12, 23      |
|        | **FINAL EXAM** Thursday 12/22 noon - do not make travel plans for this date | "          |