

Economics 160: Money and Banking
UCLA
Summer 2017
TR 8:30 to 10:35 a.m. in Bunche 2209A
Prof. E. McDevitt

Office: Bunche 2249

Office Hours: TR 10:40 – 11:50

I also hold additional office hours in the week leading up to an exam.

e-mail: mcdevitt@econ.ucla.edu

Course Description: Requisite: Econ 102. Principles of money and banking in U.S.; legal and institutional framework; Federal Reserve system; money supply process; instruments, effects, and practice of monetary policy.

Textbook: There is no required textbook, I will be posting lecture notes. However, an optional text is F. S. Mishkin's Money and Banking book. Older editions of the Mishkin book would be fine.

Study Questions: Study questions with solutions will be provided. They will be posted on the course website at <https://moodle2.sscnet.ucla.edu/course/view/171A-ECON160-1> The study questions are very useful for preparing for the exams. Make sure you do all of the questions. Also, try making up your questions, perhaps variations on the study questions. In addition to study questions I also post other optional readings and/or links.

EXAMS: There will be two exams. The approximate weighting of the exams is as follows:

First Exam (Thursday, Week 3)- 45%.

Second Exam (Thursday, Week 6)55%.

POLICY ON MISSED EXAMS: If a student has a valid medical excuse and can provide documentation of such of an excuse, or if the student has received prior permission (at least one week in advance of the exam) to miss an exam from the instructor, then additional weight will be placed on the final exam. Prior permission to miss an exam is only granted for serious and compelling reasons. A student who misses an exam without a valid medical excuse or without receiving prior permission will receive a zero.

DISABLED STUDENTS and the OFFICE of STUDENT DISABILITIES (OSD): Any student with a pre-existing illness or condition who requests special arrangements must (a) qualify under OSD rules for such special arrangements and (b) must take the exam with OSD. Any such arrangements with OSD must be made the first week of classes. The instructor must be informed of any such arrangement in the first week of classes. For additional information and the qualification conditions of the Office of Student Disabilities (OSD), please visit their website at <http://www.osd.ucla.edu/Index.htm> All other students must take the exam at the scheduled time under the same time constraints. It is the responsibility of all students who request special arrangements with OSD to be familiar with all of their rules as well as the rules of this class.

ACADEMIC DISHONESTY

Any cases of cheating will be reported to the Office of the Dean of Students. For more details please refer to the Office of the Dean of Students website at <http://www.studentgroups.ucla.edu/dos/>

READING ASSIGNMENTS

Topic

- 1 Macroeconomics Definitions and Measurements: GDP, Price Level, Unemployment; Money; Financial
- 2 Behavior of Interest rates (some PV and FV review)
- 3 Term Structure of Interest Rates
- 4 Money Supply, the Fed and Tools of the Fed; Taylor Rule
- 5 Risk Management
- 6 Hedging and Financial Derivatives
- 7 Asymmetric Information and Financial Markets
- 8 Foreign Exchange Market; International Finance