

**Syllabus: ECON 4500, Money and Credit  
Spring 2017**

**Instructor:** Prof. Andrew Feltenstein

**Office Hours: Monday** 2:00 pm – 4:00 pm

Phone: 404-413-0093

Office: Andrew Young 524

Email: [afeltenstein@gsu.edu](mailto:afeltenstein@gsu.edu)

**Class Meetings: Monday** 7:15 pm - 9:45 pm, Aderhold 106.

**Textbooks:**

Frederic Mishkin, “The Economics of Money, Banking, and Financial Markets” 11<sup>th</sup> edition, 2015, Prentice Hall.

**Prerequisites**

Economics 2105

**Goals**

This course will study of the role of money, credit, interest rates, and the balance of payments in determining the rate of production and employment in a nation's economy; emphasis is placed on monetary policies of the Federal Reserve System and their interaction with other elements of policy and with international economic currents.

**Grades:** will be based on

(1) Homework 20%

(2) Midterm exams 40%

(3) Final exam 40%

There will be approximately one homework every week, as well as three midterm exams.

The dates of the exams are:

Midterm exam 1: September 18

Midterm exam 2: October 16

Midterm exam 3: December 4

Final exam: December 11, 19:00-21:30

Midterm exams will cover the chapters we have gone through since the last midterm. The final exam will be comprehensive, and will cover the entire course.

**Miscellaneous:**

Academic dishonesty on any of the tests or assignments will result in a score of zero.

Please let me know if you have a disability that requires special accommodation for lectures or anything else.

Homework is due on the day given on the assignment. Homework should be handed in by email submission before class. Late homework will not be accepted and will receive a grad of 0.

For the 3 mid-term exams, we will take your 2 highest grades and drop the lowest. That is, your 2 highest mid-term exam grades will count for 40% of your final grade.

**There are no makeups for midterm exams.** If you miss a midterm exam you will receive a grade of 0 for that exam. No exceptions. You may miss 1 midterm exam, as your grade for the midterms will be based on your highest 2 midterm grades. If you miss 2 midterm exams, then 1 of your 2 midterm grades will be 0.

For the final exam, the only acceptable excuse for missing the exam is illness, which must be verified by a note from a doctor explaining that you were too sick to take the exam. A request for missing the final exam must be given **before** the exam. Excuses for not taking the exam that are given after the exam will not be accepted and the exam will receive a grade of 0. To repeat, the only excuse for missing the final exam is your sickness, not somebody else's, verified by a note from a doctor. **No exceptions.** Hence travel plans, someone else's problems, family issues, etc. will not be accepted.

**Course outline:**

The course will focus on monetary theory and policy. We will use parts of Mishkin's book in the following order.

**Chapter No. Chapter Title**

1. Why Study Money, Banking, and Financial Markets?
2. An Overview of the Financial System
3. What Is Money?
4. Understanding Interest Rates
5. The Behavior of Interest Rates
6. The Risk and Term Structure of Interest Rates
13. Central Banks and the Federal Reserve System
14. The Money Supply Process
15. Tools of Monetary Policy
16. The Conduct of Monetary Policy: Strategy and Tactics
17. The Foreign Exchange Market
18. The International Financial System
19. Quantity Theory, Inflation, and the Demand for Money
20. The *IS* Curve
21. The Monetary Policy and Aggregate Demand Curves
22. Aggregate Demand and Supply Analysis
23. Monetary Policy Theory
24. The Role of Expectations in Monetary Policy
25. Transmission Mechanisms of Monetary Policy

There may not be an exact correspondence between lectures and classes. Thus, for example, Class 6 may cover Chapter 13 rather than Chapter 6.