

Student course evaluations. Administration's statement repeated in italics. *Student course evaluations are an important source of information for curricular and teaching improvement in the College of Liberal Arts and Education. As such, all students enrolled in CLAE courses are required to complete an on line course evaluation. You will receive e-mails explaining how to complete an on line evaluation. In addition, your instructor will remind you of the deadline for completing this course requirement. Should a student fail to complete the evaluation, their grade for the course will not be posted until the evaluation is completed.*

Dishonesty and Plagiarism.

Unacceptable behavior such as cheating in any form, will result in penalties after a due process hearing determines that such behavior did occur. Students are advised to read the student handbook for the penalties resulting from such behavior.

Method of Determining Course Grade

There will be three exams during the semester and a comprehensive final exam. You have two options for determining your course grade. Option A takes the arithmetic average of your three exam scores taken during the semester. If that average gives you the desired course grade, you opt out of the comprehensive exam. If you have only taken two of the exams given during the semester or have scored low on one of the three exams taken during the semester, the missed exam or low score, will be replaced by your score on the cumulative final exam. This is option B. Missed exams given during the semester, must be made up within one week, or a zero will be recorded for that missed exam's score. If not so made up, you must take the cumulative final. All exams will be of the objective type.

Course Averages and Their Translation into Course Grades

Graduate

93 to 100 = A 90 up to but not including 93 = A- 88 up to b.n.i. 90 = B+ 85
up to b.n.i. 88 = B 80 up to b.n.i. 85 = B-
74 up to b.n.i. 80 = C+ 70 up to b.n.i. 74 = C
67 up to b.n.i. 70 = C- 64 up to b.n.i. 67 = D+
60 up to b.n.i. 64 = D below 60 = F

Undergraduate

90-100 = A 88 up to but not including 90 = A-
85 up to b.n.i. 88 = B+ 80 up to b.n.i. 85 = B
74 up to b.n.i. 80 = B- 70 up to b.n.i. 74 = C+ 67 up to b.n.i. 70 = C
64 up to b.n.i. 67 = C- 60 up to b.n.i. 64 = D +
56 up to b.n.i. 60 = D below 56 = F

Some Things to Consider.

Read all of the assigned material. Take notes. Read and study all supplementary material given out. You are responsible for all the material. Review questions will

be distributed at most classes. Save your exams taken during the semester since the cumulative final exam will be based upon those exams. If you get off to a good start and continue the pace, you will be able to opt out of the comprehensive final exam. On the other hand, if you procrastinate and let things slide in the beginning, you will face a difficult comprehensive final exam. Work hard and you will not only learn a lot but you will enjoy the course. If you do very little, you will learn very little and the course will be a drag. If you adopt the latter approach, blame yourself and not the instructor. Welcome aboard for the journey.

Reading Assignments and Exam Schedule

January 11.

Overview of course and the contribution of the financial system to economic efficiency. Circular Flows of real and financial activity. Deficit and surplus budget units. Internal and external finance. Direct and indirect finance. Claims transformation and investment banking. Various classes of financial intermediaries. Chapter 1.

January 18.

The social accounts. Measuring real and financial activity. National Income and Product Accounts, Flow of Funds Accounts, Balance of Payments Accounts. Chapter 2. Newsletter: Volume 2003, issues 1, 2, and 3.

January 25.

The money and credit creation process and the role of financial institutions. Meaning and measurement of the monetary aggregates. Introduction to the monetary authority. Chapter 3. Newsletter: Volume 2003, Issues 4 and 5 and Volume 2004, Issue 1.

February 1.

The monetary authority and monetary policy. The declining potency of monetary policy. Chapters 4 and 9.

February 8.

Review during first part of class. FIRST EXAM AFTER REVIEW.

February 15.

The level of interest rates. Loanable funds and liquidity preference. Effects of Inflation on interest rates. Real and nominal interest rates. Models of complete illusion, adaptive lag and rational expectations. Fisher effect. Chapters 5 and 6.

February 22.

Differences in interest rates. The term structure, risk structure, and tax structure of interest rates. Chap. 7. Newsletter: Volume 2005, Issue 1.

March 1.
Interest rate risk and risk management. The inverse relationship. Chapter 8.

March 8.
Mid-Winter break. March 6 – 11, no classes.

March 15..
Review during first part of class. SECOND EXAM AFTER REVIEW.

March 22.
Financial Markets and instruments. Derivative financial markets.
Chapters 10 and 11.

March 29.
Financial markets, continued.

April 5.
International Finance. Chapters 12 and 13

April 12.
International Finance continued.

April 19/
Review during first half of class. THIRD EXAM AFTER REVIEW.

April 26.
FINAL EXAM . Begins at 6:40. Comprehensive in coverage.