



Stetson School of Business and Economics
Fall 2009, Session II
DOUGLAS Regional Academic Center

The Stetson School of Business and Economics (SSBE) promotes the advancement and integration of quality business education and practice. In support of Mercer University's mission, the School provides undergraduate and graduate programs that are designed to enable, enhance, and expand professional careers, civic responsibility and lifelong learning.

ECN 301.2D1 -Money Credit and Banking
Office Hours: by appointment

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COURSE DESCRIPTION: A functional study of monetary, banking, and credit structures, including a critical examination of monetary theory and policy recommendations.

COURSE OBJECTIVES: The purposes of this class are to present monetary concepts and apply them to the banking context. Understanding management concepts and techniques will help current and potential managers succeed. Specifically, the goal in this class is to understand:

- Role of the financial system in a modern economy
- Study of money and the financial system.
- The role of the Federal Reserve and its regulatory and monetary policy responsibilities.
- How interest rates are determined in the economy and why they differ among securities;
- How in general, changes in money and credit influence nominal GDP, real GDP and prices.
- Why do banks and others pay so much attention to what the Federal Reserve is doing?
- The recent developments in the banking areas, such as increased internationalization and mergers and acquisitions, role of technology;
- The regulatory and competitive environment in which banks function;
- Financial intermediaries and risk

Required Materials:

1. **The Financial System and The Economy:** Money and Capital Markets, 10th edition, by Rose and Marquis, McGraw-Hill Irwin.
2. **Financial Calculator.** An HP10B or BAI Plus (Texas Instruments) will be sufficient. You can also use a scientific calculator. However, students will NOT be permitted to use user-programmable calculators in examinations; manufacturer-programmed financial calculators may be used on examinations. You may be required to use a calculator for both exams and quizzes. It is strongly advised that students familiarize themselves with their calculators. You may not share a calculator nor may you bring a case or instruction booklet to the exams, so be sure you know how to work your calculator before the exam.

Optional Reading/Listening:

3. Business Week and Other Business magazines.

4. National Public Radio, CNBC– News covers economic and financial issues. And gives you a chance to learn how financial news is interpreted. On CNBC, try to watch the analyst coverage regularly. This helps you learn more effectively the use of terms you may hear in class or read in your text.

Prerequisites: Junior Status

ECN 150: Principles of Microeconomics; ECN 151: Principles of Macroeconomics. If you have had the Financial Institutions class (400 level), you may find some of the material is repeated. This class is mainly for those who have not yet had the 400 level class in Financial Institutions.

Class Assignments and Evaluation

Assignments: Questions and Problems from end-of-chapter are included in the course outline below. All end-of-chapter solutions will be available for students on WebCt. Following the chapter lecture, it is expected that students have attempted all assignments prior to the next class and the first 15 minutes or so of each class period will be devoted to clarifying problem areas, not working the entire assignment.

Exams: The class will have two mid-term exams and a final exam. Makeup exams must be pre-approved with documented excuses and taken during regular office hours. Makeup exams, if at all given, may be different from the in-class exams and may not be in the same format (i.e. the exam may be all essay, etc.).

TEACHING METHOD:

The teaching method will be a combination of lectures, problem solving, and discussions.

GRADING:

Exam 1	1/3
Exam 2	1/3
Final Exam	1/3
TOTAL	100%

Grading Structure:

A 90-100; B+ 87-89; B 80-86; C+ 77-79; C 70-76; D 60-69; F < 60

CLASS POLICIES AND STUDENT RESPONSIBILITIES:

All papers, exams and any other written or printed materials collected by the professor become the property of the professor at the end of the semester. Unless otherwise requested, materials will be saved only until the first class of the following session and then destroyed.

1. **Attendance is mandatory.** The Practice Of Leaving The Class Once The Class Starts Is Not Acceptable Since It Is Disruptive And Undermines The Learning Process. View your class meetings as a professional business appointment. It is unprofessional to be late, miss, leave early or be unprepared for a business meeting. If you must be late or miss a class due to some work related conflict, please call me or let me know in advance. In such a case, it is your responsibility to catch up with the class lectures.
I will give you two breaks during the class period.
2. **Missed Class Notes: I do not bring my notes or other material to class after the**

night in which they are used. If you miss a class, it is your responsibility to get any notes, missed handouts, or other information from one of your classmates.

3. **EMAIL:** Please use my personal e-mail account to reach me. My address is patronom@hotmail.com.

4. **EXAMINATIONS**

- All examinations will be closed book exams. No notes or textual material of any form will be allowed during examinations.
- Programmable calculators and Personal Digital Assistants (e.g. palm-pilots and the like) are not allowed during the examinations. You may also not share calculators during examinations.

5. **Disabled Students:**

Students with a documented disability should inform the instructor at the close of the first class meeting. The instructor will refer you to Richard Stilley, Assistant Dean for Student Life (tel: 678-547-6823; office: Sheffield Student Center, Rm. 212), for consultation regarding evaluation, documentation of your disability, and recommendations for accommodation, if needed. More information can be found at: www.mercer.edu/stu_support/swd.htm

6. **Mercer University Honor Code and Council** (See Mercer catalogue for detailed information)

Honor Code Mercer University Atlanta expects each and every student to maintain the highest principles of academic honesty and integrity. Violations of academic honesty represent a breach of the University's expectations and will be regarded as a serious matter.

Violations include, but are not limited to, the following:

Plagiarism The use of ideas, facts, phrases, or additional information such as charts or maps, from any source, without giving proper credit to the original author. Using direct quotations, paraphrases, or reproductions of any material which is not of the student's own authorship is also considered plagiarism. Failure to reference any such material used is both ethically and legally improper.

Cheating; Lying; Stealing The use of unauthorized sources of information.

7. Protocol for Electronic Submission of Course Work:

Students bear sole responsibility for ensuring that papers or assignments submitted electronically to a professor are received in a timely manner and in the electronic format(s) specified by the professor. Students are therefore obliged to have their e-mail client issue a receipt verifying that the document has been received. Students are also strongly advised to retain a copy of the dated submission on a separate disk. Faculty members are encouraged, but not required, to acknowledge receipt of the assignment.

If you are submitting any assignment electronically due to missed class, please turn in a hard copy of the assignment in the following class or leave it with the Administrative Secretary in BE 240) or the Administrative Coordinator, BE 121.

8. Protocol for use of Cell Phones and Pagers

Out of courtesy for all those participating in the learning experience, all cell phones and pagers must be turned off before entering any classroom, lab, or formal academic or performance event.

OTHER ADMINISTRATIVE POLICIES:

Inclement Weather Information:

If severe weather occurs, classes will be canceled in accordance with the decision of the Associate Provost's Mercer-Atlanta. Call the Mercer weather line for information about class cancellations—(678) 547-6111 or listen to WSB 750 AM.

WITHDRAWAL AND OTHER POLICIES:

The policies related to withdrawal and other irregularities are printed in the schedule of courses, student handbook, and various other places. If you need to know the policies, please call the registrar's office to follow appropriate procedures. If you have any questions regarding these or other policies please do not hesitate to ask.

Outline of Class: This is a tentative outline of the schedule that we will follow. It is subject to change. Changes in the scheduled assignments will be announced in class and you are responsible for such changes regardless of whether or not you were in class at the time.

Week	Topic
1 October 21	Chapter 1 - Functions of the Financial System Chapter 2 - Financial Assets and Institutions
2 October 17	Chapter 5 - The Determinants of Interest Rates Chapter 6 - Measuring Interest Rates
3 November 4	Exam 1 Chapter 7 Inflation, Yield Curves and Asset Prices
4 November 11	Chapter 8 Risk Structure of Interest Rates Chapter 12 Role of the Federal Reserve
5 November 18	Exam 2 Chapter 13 - Tools and Goals of the Federal Reserve System
6 November 25	Thanksgiving Holiday
7 December 2	Chapter 17 - Regulation of Financial Institutions Chapter 21 - Consumer Lending and Borrowing
8 December 9	Chapter 22 – The Residential Mortgage Market

9 December 16

FINAL EXAMINATION