

Professor: Sujana Kabiraj  
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Office hours: Monday 12-1:30, Tuesday 12-3, Wednesday 12-1:30 or by appointment.

Class Meetings: MW from 2:00 to 3:15 in CCC 214.

Attendance is not mandatory. Regular attendance, however, is strongly and positively correlated with final course grades and thus highly recommended. You are responsible for all material covered in class so if you are absent, make sure to copy the notes from someone. If you have any questions after looking over the notes and doing the required readings, come see me during my office hours.

Course Description: This course will introduce you to the basic ideas of financial economics, with a focus on the interest rate, bond and stock market along with the aggregate macroeconomics. We will discuss behavior of interest rate, stock pricing, rational expectation, foreign exchange market, aggregate demand and supply, Federal reserve system, money supply, as well as other topics. We will also analyze the causes and effects of the great recession of 2008-09. After the course you should be able to apply the basic concepts of financial market to understand the macroeconomic issues we read about every day in the newspaper.

School of Business and Economics Mission and Course Outcomes: The UWSP School of Business & Economics educates and inspires students and prepares graduates for success in positions of leadership and responsibility. We serve the students, businesses, economy and people of the greater Central Wisconsin region. Our students achieve an understanding of regional opportunities that exist within the global economy.

After completing the course students should be able to:

- Define and analyze financial market, financial intermediary, interest rate, stock prices, exchange rate, structure and function of federal reserve, and monetary policy.
- Apply the Exchange rate, Aggregate Supply, Aggregate Demand model to analyze equilibrium outcomes in the macroeconomy.
- Analyze the cause and effects of 2008 financial crisis

Required Text: Frederic S. Mishkin. *The Economics of Money, Banking, and Financial Markets*. New York: Pearson, 2018, 12<sup>th</sup> Edition

Course Requirements: The course grade will be determined as follows:

First exam:	25%
Second exam:	25%
Final exam: Thursday, 17 <sup>th</sup> May, 12:30PM – 2:30PM	30%
Assignments: Periodic (will be announced)	<u>20%</u>
	100%

Exams: There are two midterm exams and a final exam. Exams will emphasize analytical and problem solving skills and will cover the assigned textbook chapters as well as any additional material presented in class. The final exam is primarily a third unit exam, but does have a short cumulative segment that covers assessment of the course learning outcomes listed on the syllabus. Makeup exams will not be offered without a university sanctioned excuse (university athletics, field trip, etc.). Approval for a makeup must be obtained before the date of the exam and should not be taken as given.

Assignments: 5 to 6 assignments will be posted online on D2L throughout the course. Assignments are designed to offer hands-on practice with the material. It will be more hands-on than the multiple choice questions. There will be partial markings for partly correct answers. You can submit the assignments through D2L or give me a hard copy (in case there is graph and equation that is hard for you to do in computer) by the due date. Late submissions will not be considered.

Grading Scale: Letter grades are determined as follows:

A:	grade $\geq$ 93%	C:	77% > grade $\geq$ 73%
A-:	93% > grade $\geq$ 90%	C-:	73% > grade $\geq$ 70%
B+:	90% > grade $\geq$ 87%	D+:	70% > grade $\geq$ 67%
B:	87% > grade $\geq$ 83%	D:	67% > grade $\geq$ 63%
B-:	83% > grade $\geq$ 80%	D-:	63% > grade $\geq$ 60%
C+:	80% > grade $\geq$ 77%	F:	60% > grade

This schedule may be adjusted but only in favor of the students as a group.

**Any suspected academic misconduct on either an assignment or an exam will be dealt with under the appropriate University procedures.**

Students with Disabilities: Students with learning or other disabilities should contact the Office of Disability Services during the first two weeks of the semester if they wish to request accommodation.

Religious Beliefs: Religious beliefs will be accommodated according to UWS 22.03 as long as the student notifies me of the specific days or dates within the first three weeks of the beginning of classes.

General Information: I understand that things happen that prevent people from getting to class on time, myself included. As such, occasional late entrances are not a problem, and I would rather have you attend class than not. However, habitual tardiness will not be tolerated. In exams, late arrivals will not be given extra time. It is also understandable that people occasionally forget to turn off their cell phones before coming to class. Again, occasional instances are not a problem but do your best to turn off your phone before entering class. Students can use laptops in the class to take notes. Recreational use of laptops and pads are strictly discouraged. Those who will use laptops in class will have to sit on the last row of the classroom so as to avoid any distraction of fellow students.

Student Rights and Responsibilities: UWS/UWSP Student Academic Standards and Disciplinary Procedures: <http://www.uwsp.edu/dos/Documents/CommunityRights.pdf#page=11>.

ECON 360 – tentative course outline (subject to change by the instructor)

1/22/2018	Monday	An Overview of the Financial System	Chap 1/2
1/24/2018	Wednesday	What is Money?	Chap 3
1/29/2018	Monday	Understanding Interest Rates	chap 4
1/31/2018	Wednesday	Understanding Interest Rates	chap 4
2/5/2018	Monday	The Behavior of Interest Rates	chap 5
2/7/2018	Wednesday	The Behavior of Interest Rates	chap 5
2/12/2018	Monday	The Risk and Term Structure of Interest Rates	Chap 6
2/14/2018	Wednesday	The Risk and Term Structure of Interest Rates	Chap 6
2/19/2018	Monday	Exam 1	
2/21/2018	Wednesday	The Stock Market	Chap 7
2/26/2018	Monday	The Stock Market	Chap 7
2/28/2018	Wednesday	The Foreign Exchange Market	Chap 17
3/5/2018	Monday	The Foreign Exchange Market	Chap 17
3/7/2018	Wednesday	Aggregate Demand and Supply Analysis	Chap 22
3/12/2018	Monday	Aggregate Demand and Supply Analysis	Chap 22
3/14/2018	Wednesday	Monetary Policy Theory	Chap 23
3/19/2018	Monday	Monetary Policy Theory	Chap 23
3/21/2018	Wednesday	Exam 2	
3/26/2018	Monday	Spring break	
3/28/2018	Wednesday	Spring break	
4/2/2018	Monday	Central Banks and the Federal Reserve System	Chap 13
4/4/2018	Wednesday	Central Banks and the Federal Reserve System	Chap 13
4/9/2018	Monday	The Money Supply Process	Chap 14
4/11/2018	Wednesday	The Money Supply Process	Chap 14
4/16/2018	Monday	Tools of Monetary Policy	Chap 15
4/18/2018	Wednesday	Tools of Monetary Policy	Chap 15
4/23/2018	Monday	The Conduct of Monetary Policy: Strategy and Tactics	Chap 16
4/25/2018	Wednesday	The Conduct of Monetary Policy: Strategy and Tactics	Chap 16
4/30/2018	Monday	Banking and the Management of Financial Institutions	Chap 9
5/2/2018	Wednesday	Banking and the Management of Financial Institutions	Chap 9
5/7/2018	Monday	Financial Crisis	
5/9/2018	Wednesday	Review	