

ECON 490: Financial System and Monetary Policy
Department of Economics, LAS, UIUC

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Fall 2016
TuTh 9:30-10:50

Communication

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Office Hours: Tuesdays and Thursdays 11-12pm or by appointment.

Course Description

This course focuses on the money side of macroeconomics. About two thirds of the class deals with structure of financial markets and instruments traded on the financial market. The last part is devoted to the central bank and monetary policy.

Course Objectives

- Learn how to learn by yourself.
- Use what you have learned.
- Learn to process and interpret data with the help of Excel.
- Work with a group.

Learning Resources

Required textbook: Hubbard and O'Brien, *Money, Banking, and the Financial System*. 2nd edition.

*You must have access to the MyEconLab site that accompanies the textbook. The course ID is **zhao07911**. See the last page of syllabus for details on how to access the MyEconLab site for this class.*

Any additional materials will be distributed through Compass.

Important Dates

Exam 1: Thursday, September 22nd
Deadline to Drop without a grade of W: Friday, October 14th
Exam 2: Thursday, October 20th
Exam 3 (final exam): Tuesday, December 13, 7-9pm

Student Assessment

This class uses a plus/minors grading system. Roughly, ≥ 90 A, ≥ 80 B, and ≥ 70 C.

Your grades are based on assignments on MyEconLab (20%), two midterm exams (25% each), and a final exam (30%).

Assignments on MyEconLab: You must read the assigned chapter and finish the corresponding pre-class homework on MyEconLab before you come to the lecture each week. For some chapters, there will be post-class homework as well. The deadline for each week's homework is Monday 11:30pm. There is no way to extend the deadline (technically impossible) for individual students. Please start them early. Everyone can drop two weeks' of homework which has the lowest score in 100-point scale.

Exams: All exams are non-accumulative in the form of multiple choices. Two midterms are scheduled in class on September 22nd and October 20th; both are on Thursdays. The final exam is scheduled on Tuesday, December 13th 7-9pm. Please let me know as soon as possible if you have known conflicts with these dates. Should an unforeseeable event arise, you must contact me **before or within 24 hours of the exam**; otherwise you automatically receive a grade of zero.

To qualify for a make-up exam, you must provide proof to show that you physically can't be present to take the exam on the scheduled exam dates. In the case that you are ill, an absence letter from the Student Assistance Center in the Office of the Dean of Students (3rd floor of the Turner Student Services Center. Phone 333-0050) also has to be provided to me eventually.

On the day of the exam, you must bring your student ID. Other than calculators (scientific, graphing, accounting, or four-function) and writing utensils, no other items are allowed to be with you during exams. Scratch paper will be provided to you, if needed. All electronic devices must be turned off and put in your backpack, stacked in the front of the classroom. Students found to be using unapproved items are in violation of the Academic Integrity Policy of the University and will be subject to disciplinary action.

Re-grading: All re-grading requests must be made no later than one week after exams are returned to you.

Students with disabilities: Students who require non-standard examination conditions please let me know and arrange with DRES as early as possible. To contact DRES you may visit 1207 S. Oak Street, Champaign, call 333-4603, or email disability@uiuc.edu.

Honor code: All types of cheating are strictly prohibited. Academic misconduct will be handled according to the University Academic Integrity Policy.

Extra credit: There will be multiple opportunities to earn extra credit for this class. Details will be given after the add-drop deadline passes so everyone has the equal opportunity.

Outline of the Course

Section 1: Money and bond market (Chapter 1-5)

Midterm exam 1

Section 2: Other financial instrument and banking industry (Chapter 6-7, 9-11, 12)

Midterm exam 2

Section 3: Central bank and monetary policy (Chapter 8, 13-16, 18)

Final exam

Final Exam Policy is available at: http://studentcode.illinois.edu/article3_part2_3-201.html

From the University's final exam conflict policy:

Any student having more than two consecutive final examinations is entitled to rescheduling as follows if he or she takes the following action no later than the last day of classes:

- The student must investigate whether a conflict examination is being held at another time for any of the examinations involved.
- If a conflict examination has been scheduled for any of the courses, the student must take one or more of these conflict examinations. If conflict examinations are offered for more than one course, the student must take the conflict for the course that has the largest number of students.
- If no conflict examinations have been scheduled, the student must contact the instructor of the course having the largest number of students. The contact must be made no later than the last day of classes, and that instructor must provide a makeup examination.
- Normally in a semester several combined-sections, conflict, and noncombined examinations are given at the same time. As a guide to resolving conflicts, an order of priority has been established within each examination period, and a student should resolve a conflict using the published examination schedules and the following priority guidelines.
 - National and state professional examinations (e.g., CPA, actuarial science, Architecture Registration Examination) take priority over campus final examinations. An instructor must offer a conflict examination to a student scheduled to take a national or state professional examination and a campus final examination at the same time.
 - A noncombined course examination has precedence over any combined-sections or conflict examination.
 - A department offering a combined-sections final examination must provide a conflict examination if required to accommodate student conflicts.

Academic Integrity Policy is available at http://studentcode.illinois.edu/article1_part4_1-401.html.

“The University has the responsibility for maintaining academic integrity so as to protect the quality of education and research on our campus and to protect those who depend upon our integrity.

Expectations of Students. It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions. Students have been given notice of this Part by virtue of its publication. Regardless of whether a student has actually read this Part, a student is charged with knowledge of it. Ignorance is not a defense.”

Emergency Response Recommendations

The university maintains guidelines for emergency responses. A list of recommendations when to evacuate and when to find shelter are available at:

http://illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.docx

Floor plans for specific buildings are available at:

<http://police.illinois.edu/emergencyplanning/floorplans/>

To register for [Econ490 Fall2016 Financial Market and Monetary Policy](#):

1. Go to www.pearsonmylabandmastering.com.
2. Under Register, select **Student**.
3. Confirm you have the information needed, then select **OK! Register now**.
4. Enter your instructor's course ID: [zhao07911](#), and **Continue**.
5. Enter your existing Pearson account **username** and **password** to **Sign In**.
You have an account if you have used a Pearson product, for example: MyMathLab, MyITLab, MyPsychLab, MySpanishLab or Mastering, such as MasteringBiology.
> If you don't have an account, select **Create** and complete the required fields.
6. Select an access option.
> Use the access code that came with your textbook or that you purchased separately from the bookstore.
> Buy access using a credit card or PayPal account.
> If available, get 14 days temporary access. (The link is near the bottom of the screen.)
7. From the confirmation page, select **Go To My Courses**.
8. On the My Courses page, select the course tile [Econ490 Fall2016 Financial Market and Monetary Policy](#) to start your work.

To sign in later:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select the course tile [Econ490 Fall2016 Financial Market and Monetary Policy](#) to start your work.

To upgrade temporary access to full access:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select **Upgrade access** from the course tile [Econ490 Fall2016 Financial Market and Monetary Policy](#).
5. Enter an access code or purchase access with a credit card or PayPal account.

For a registration overview, go to www.pearsonmylabandmastering.com/students/get-registered. Scroll down to **Need a little help?** and select a video.