

PROPOSAL FOR A NEW COURSE

SCHOOL:	Merrick School of Business		
CONTACT NAME:	Dan Gerlowski	Phone ext: X4987	
PROPOSED SEMESTER OF IMPLEMENTATION:	Fall <input type="checkbox"/>	Spring <input checked="" type="checkbox"/>	Year: 2017

PROPOSED COURSE CODE AND NUMBER: ECON 308

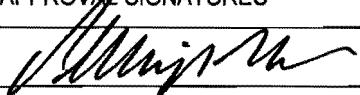
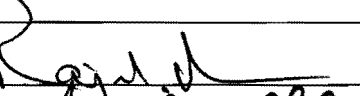

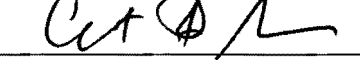
PROPOSED COURSE TITLE: Money and Banking

PROPOSED AS GENERAL EDUCATION COURSE: Yes No

RATIONALE FOR PROPOSAL

The Merrick School of Business Faculty endorsed the concept put forward by the Economics Faculty (Gerlowski, Sawhney, and Zhang) that a macro-based course would be more relevant to our students than the current micro-based course in the upper division core. This the course is to be created and eventually replace the micro-based course, ECON 305, in the upper division core. There are interesting cross-functional issues that may be exploited for the benefits of the students with the OPRE coursework done by students and also with the broad theme of entrepreneurship that permeates the curriculum and mission of the Merrick School. The proposal was voted on and approved at the Merrick School of Business Faculty Senate meeting on May 4, 2016.

No Impact Review Signatures are required. However, each School/College should ensure the new course does not duplicate course offered by another School/College

APPROVAL SEQUENCE	APPROVAL SIGNATURES	DATE
A. Department / Division	None Required 	5-11-16
B. General Education Committee (as appropriate)	None Required	
C. Final faculty review body within each School/ College	None Required 	5-17-16
D. College Dean	None Required 	5/17/16
F. Provost or Designee	None Required 	5/24/16

Attach Course Definition Document

See Following Pages for Course Definition Document (requested) and draft syllabus (provided voluntarily)

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University of Baltimore
Merrick School of Business

Course Definition Document

ECON 308 - Proposed

Date Prepared: March 7, 2016

Prepared by: Dan Gerlowski

Last Reviewed or Revised: /NA/

Reviewed / Revised by: /NA/

Department: Finance and Economics

Course: ECON 308

Course Title: Money and Banking

Credit Hours: 3

Catalog Description: Money and Banking focuses on financial markets and their interaction with the stability and growth of the U.S. economy. The course will be useful for all undergraduate business majors and will encourage a sound understanding and appreciation of topics frequently cited in the business press.

Prerequisites: OPRE 202 and either ECON 200 or 6 hours economics coursework

Course Type / Component Lecture

Content Outline:

- Behavior and Use of Interest Rates
- Financial Markets
- Financial Institutions
- Economic Incentives of Financial Regulation

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- Central Banking & Money Creation
- Monetary Policy
- The Demand for Money
- Impact of Monetary Policy
- Transmission of Monetary Policy

Learning Objectives:

Upon Completion of this course student will be able to

1. Explain the importance of the financial sector in directing the use of scarce capital to promote the stability and growth of the U.S. economy.
2. Explain the nature and characteristics of interest rates including the mechanics of discounting, determinants of interest rates, the term structure of interest rates, and how inflation impacts interest rates.
3. Identify the basic tenants of managing financial institutions including economic factors that affect their structure.
4. Demonstrate an understanding of financial regulation and competitive goals.
5. Explain the role of central banking and the conduct of monetary policy.
6. Relate monetary policy to the Macroeconomy.
7. Explain the basic nature and structure of some sources of capital available to entrepreneurs.
8. Use basic data analysis to investigate the conduct of monetary policy, role of financial institutions, or movements in interest rates.

Assessment Strategies:

Learning objectives can be assessed through a variety of homework assignments and exams.

Suggested Materials:

- I. Required Textbook: The Economics of Money, Banking, and Financial Markets by Frederic S. Mishkin 11th edition

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DRAFT Syllabus
ECON 308: Money and Banking

Prerequisite: Principles of Microeconomics, Principles of Macroeconomics, OPRE 202

Course Catalog Description: This course focuses on financial markets, the control and regulation of financial markets through Federal Reserve policy, and the impact of financial markets on the U.S. economy. There are three major sections of the course materials. The first is an overview of financial markets, institutions, and instruments. The second concerns management of financial institutions and the services they provide. The third examines money creation, and its connection to stability and economic growth. Woven within these three areas are impacts of international financial institutions and practice.

Optional Customization: It is suggested that, in keeping with the Merrick School's Mission an attempt will be made to incorporate entrepreneurial financing topics as appropriate as descriptive items in the course list of topics.

Instructors: Potentially several members of the Finance and Economics Faculty would be able to teach this course. It is expected that Gerlowski and Sawhney would play a role in course development. A learning goal for the course specifically requires that students conduct empirical work on their own relating economic and financial aggregates within the context of theories and models presented in the course.

Statement of Course Learning Goals

The contract between the University, the faculty member, and the student includes the requirement that all courses cover the basic learning goals attributed to that course. For ECON 308 the university must provide instruction and suitable assessment materials to enable the student to, at the conclusion of this course:

1. Explain the importance of the financial sector in directing the use of scarce capital to promote the stability and growth of the U.S. economy.
2. Explain the nature and characteristics of interest rates including the mechanics of discounting, determinants of interest rates, the term structure of interest rates, and how inflation impacts interest rates.
3. Identify the basic tenants of managing financial institutions including economic factors that affect their structure.
4. Demonstrate an understanding of financial regulation and competitive goals.
5. Explain the role of central banking and the conduct of monetary policy.

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6. Relate monetary policy to the Macroeconomy.
7. Explain the basic nature and structure of some sources of capital available to entrepreneurs.
8. Use basic data analysis to investigate the conduct of monetary policy, role of financial institutions, or movements in interest rates.

Textbooks:

There are several proven and effective textbooks in existence from major publishers available. Additionally, readings and exercises are freely available from such credible sources as the Federal Reserve. The initial suggestion is to use *The Economics of Money, Banking, and Financial Markets* by Frederic S. Mishkin 11th edition with accompanying software.

Topical Coverage/Timetable:

The topics are arranged to accommodate a 12 week instructional period which is intended as a guide allowing for presentations of student work, exams, or weather accommodations as needed by the instructors.

Week 1: Course Introduction:

- Course familiarity and logistics
- Mishkin Ch. 1: Why Study Money, Banking, and Financial Markets
- Mishkin Ch. 2: An Overview of the Financial System
- Mishkin Ch. 3: What is Money

Week 2: Interest Rates: Financial Markets and Policy

- Mishkin Ch. 4: The Meaning of Interest Rates
- Mishkin Ch. 5: The Behavior of Interest Rates (descriptive only)
- Mishkin Ch. 6: Begin the Risk and Term Structure of Interest Rates
- Optional there are a lot of issues today surrounding negative interest rates, coverage or experiential learning in this matter would be appropriate.

Week 3: Interest Rates: Financial Markets and Policy (Cont.)

- Mishkin Ch. 6 Risk and Term Structure of Interest Rates
- Mishkin Ch 7: Optional The Stock Market
- Optional Financial Markets for Entrepreneurs

Week 4: Financial Institutions – Part 1

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- Mishkin Ch 8: Economic Analysis of Financial Structure
- Mishkin Ch 9: Banking and Management of Financial Institutions
- Optional Meeting the Needs of Entrepreneurs
- A field trip to the Federal Reserve in Washington DC might be appropriate at this point.

Week 5: Financial Institutions – Part 2

- Mishkin Ch 10: Economic Analysis of Financial Regulation

Week 5: Financial Institutions – Part 3

- Mishkin Ch 11 Banking Industry Structure and Competition
- Mishkin Ch 12 Optional Financial Crises

Week 6: Central Banking: Allowing Monetary Policy

- Mishkin Ch 13: Central Banks and the Federal Reserve System
- Mishkin Ch 14: The Money Supply Process

Week 7: Monetary Policy

- Mishkin Ch 15: Tools of Monetary Policy
- Mishkin Ch 16: The Conduct of Monetary Policy: Strategy and Tactics

Week 8: Money and the Macroeconomy 1

- Mishkin Ch 19: Quantity Theory, Inflation, and the Demand for Money

Week 9: The Impact of Monetary Policy on the Macro Economy – Step 1

- Mishkin Ch 21: Monetary Policy and the Aggregate Demand Curve

Week 10: The Impact of Monetary Policy on the Macro Economy – Step 2

- Mishkin Ch 22: Aggregate Demand and Supply Analysis

Week 11: A Trip to Chicago, a school of thought, not a place

- Mishkin Ch 23 Monetary Policy Theory

Week 12: Making for Effective Monetary Policy

- Mishkin Ch 24 Transmission Mechanism of Monetary Policy

Homework, Exams, Quizzes, Projects

Students must be encouraged to remain current through semester. It is strongly suggested a book be adopted with student driven software allowing the instructor to require their regular activity. In the absence of that homework assignments should be frequent. There are numerous “stop points” in the course to allow the instructor to choose the placement of exams. That is an instructional design

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question coupled with the possibility of experiential learning that is likely within the topics of this course.