ECONOMICS 327
MONEY & ECONOMIC ACTIVITY
FALL SEMESTER 2020

Instructor: Dr. Matthew Schaffer
Office: 464 Bryan Building
Office Hours: Held via Zoom, Tuesday-Thursday 3:30-4:30 pm, and by appointment
E-mail: maschaff@uncg.edu
Class room: Bryan 112
Class period: Tuesday-Thursday: 2:00 – 3:15 pm

Overview

Course Description: The purpose of the course is to familiarize students with the operation of financial markets in general, and the banking system in particular. We will examine the tools, goals and effectiveness of the Federal Reserve and the conduct of both domestic and international monetary policy. The prerequisites for the course are the principles of micro- and macroeconomics.

Course Objectives: By the end of the course you should understand:
1. The Fed’s role in determining inflation, output and employment.
2. The structure, composition and functions of the money and capital market.
3. The money supply process and the role of banks in money creation.
4. The tools and procedures that the Fed uses to affect the money supply process.
5. The economy-wide impact that the money supply has on output and prices.

Prerequisites: ECO 202

**Course Conduct**

**Exams:** There will be two midterm exams during the semester, plus a comprehensive final exam. Exams must be taken outside of class during the assigned windows of time. One part of the exam will involve answering questions on the MyLab Economics website. The second part will involve answering long-form questions to be submitted on Canvas. The exams will open at 12:01 am on the first day of the exam window and close at 11:59 pm on the last day of the exam window.

*Exam Make-up Policy:* The final exam grade will replace the midterm 1 and/or midterm 2 grade if it is higher. I will therefore not give make-ups for the midterm exams; if you must miss a midterm exam the weight of that midterm will be added to the final exam.

*Exam Windows:*

- Midterm 1: Saturday, September 19 – Tuesday, September 22
- Midterm 2: Saturday, October 24 – Tuesday, October 27
- Final Exam: Sunday, November 29 – Wednesday, December 2

**Problem Sets:** There will be 8 problem sets throughout the course. Each problem set will be open on MyLab for at least one week. Exact assignment windows and due dates will be announced on Canvas and in-class. The lowest 2 problem set grades will be dropped and not count towards the final grade.

**Web Journal:** There will be occasional “Web Questions” or exercises in which you are asked questions about, or your reaction to, information available somewhere on the web. You will enter these in an electronic journal for 5% of your final grade (due 11/24/20).

**Course Paper:** Each student will prepare one short (2 page) out-of-class paper for 5% of your final course grade. Instructions will be handed out at least two weeks before the paper’s due date.

**Attendance:** Given the uncertainties surrounding COVID-19 this semester, I will be recording each in-class lecture and posting the lecture video on Canvas afterwards. Students may decide individually whether they would prefer to attend the in-class lecture or to view the lecture video on Canvas at their convenience. Attendance is not mandatory and will not factor into course grades. However, it is the student’s responsibility to keep up with course material regardless of whether they choose to attend in-class lectures or view the lectures remotely. Please note that the last day our class meets this semester is Tuesday, November 24.
**Website:** We will use Canvas and Pearson’s MyLab Economics in this class. I will post important announcements on Canvas, so it is your responsibility to check Canvas before each class. I will also post lecture slides for upcoming classes. All problem sets and exams will be completed on MyLab Economics.

**Cell Phone Policy:** Cell phones can be disruptive in the classroom. I ask that cell phones be muted and put away prior to the beginning of class.

**COVID-19 Policies:** As UNCG returns to face-to-face course offerings in fall 2020, the campus community must recognize and address concerns about physical and emotional safety. As such, all students, faculty, and staff are required to uphold UNCG’s culture of care by actively engaging in behaviors that limit the spread of COVID-19. Such actions include, but are not limited to, the following:

- **Wearing a face covering that covers both nose and mouth**
- Observing [social distance](#) in the classroom
- Engaging in proper hand washing hygiene when possible
- **Self-monitoring for symptoms of COVID-19**
- Staying home if you are ill
- Complying with directions from health care providers or public health officials to quarantine or isolate if ill or exposed to someone who is ill.

Instructors will have seating charts for their classes. These are important for maintaining appropriate social distance during class and facilitating contact tracing should there be a confirmed case of COVID-19. Students must sit in their assigned seat at every class meeting and must not move furniture. Students should not eat or drink during class time.

A limited number of disposable masks will be available in classrooms for students who have forgotten theirs. Face coverings will also be available for purchase in the UNCG Campus Bookstore. Students who do not follow masking and social distancing requirements will be asked to put on a face covering or leave the classroom to retrieve one and only return when they follow these basic requirements to uphold standards of safety and care for the UNCG community. Once students have a face covering, they are permitted to re-enter a class already in progress. Repeated issues may result in conduct action. The course policies regarding attendance and academics remain in effect for partial or full absence from class due to lack of adherence with face covering and social distancing requirements.

For instances where the Office of Accessibility Resources and Services (OARS) has granted accommodations regarding wearing face coverings, students should contact their instructors to develop appropriate alternatives to class participation and/or activities as needed. Instructors or the
student may also contact OARS (336.334.5440) who, in consultation with Student Health Services, will review requests for accommodations.

Health and well-being impact learning and academic success. Throughout your time in the university, you may experience a range of concerns that can cause barriers to your academic success. These might include illnesses, strained relationships, anxiety, high levels of stress, alcohol or drug problems, feeling down, or loss of motivation. Student Health Services and The Counseling Center can help with these or other issues you may experience. You can learn about the free, confidential mental health services available on campus by calling 336-334-5874, visiting the website at https://shs.uncg.edu/ or visiting the Anna M. Gove Student Health Center at 107 Gray Drive. For undergraduate or graduate students in recovery from alcohol and other drug addiction, The Spartan Recovery Program (SRP) offers recovery support services. You can learn more about recovery and recovery support services by visiting https://shs.uncg.edu/srp or reaching out to recovery@uncg.edu.

UNCG Chancellor Frank Gilliam has challenged us to create a Culture of Care at UNCG where we all wear face coverings and social distance, less to protect ourselves but rather more to protect everyone around us. It shows that you care about the well-being of everyone around you. We have created this video featuring your student body presidents to better explain how and why this is so important.

Please watch this video before the first day of classes.

https://youtu.be/Mb58551qxEk

**Academic Honesty Policy:** Each student is required to follow the Academic Integrity Policy on all major work submitted for the course. Refer to UNCG Undergraduate Bulletin/Graduate Bulletin or consult http://sa.uncg.edu/handbook/academic-integrity-policy/. In addition, the Bryan School Faculty Assembly and the Bryan School Student Advisory Council have adopted a set of Faculty and Student Guidelines that defines expected behavior for both faculty and student. For more information about these Guidelines consult: http://bryan.uncg.edu/assets/faculty_student_guidelines.pdf.

**Course Grading Scheme:**

The course average will be calculated by averaging the scores of all assignments using the following weights:

- 1st Exam* .............................................................................................................. 25%
- 2nd Exam* ............................................................................................................. 25%
- Final Exam .............................................................................................................. 30%
- Problem Sets ........................................................................................................ 10%
- Web Journal ......................................................................................................... 5%
- Course Paper ....................................................................................................... 5%
The following rules will be applied to the total points earned in the class to determine your course grade:

- ≥ 93% receives at least an A
- ≥ 90% receives at least an A-
- ≥ 87% receives at least a B+
- ≥ 83% receives at least a B
- ≥ 80% receives at least a B-
- ≥ 77% receives at least a C+
- ≥ 73% receives at least a C
- ≥ 70% receives at least a C-
- ≥ 60% receives at least a D
- < 60% receives at least an F
# Tentative Course Outline

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<td>August 25-27</td>
<td>Capital Markets and Interest Rates</td>
<td>Ch. 2 (22-33), Ch. 3 (Paper assigned 8/25)</td>
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<td>September 1-3</td>
<td>Interest Rates</td>
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<td>September 8-10</td>
<td>Interest Rates and Returns</td>
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<td>September 15-17</td>
<td>Behavior of Interest Rates</td>
<td>Ch. 5 (Paper due 9/15)</td>
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**NOTE:** SPECIAL CLASS - FOMC Announcement, Wednesday SEPTEMBER 16, 1:30-3 PM.

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<th>September 19-22</th>
<th>Midterm 1</th>
<th>Ch. 1, Ch. 13 (292-303), Ch. 2 (22-33), Ch. 3, Ch. 4, Ch.5</th>
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<td>September 22-24</td>
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<td>Banking Structure and Regulation</td>
<td>Ch.11-14 (234-5)(229-30)(283-7)</td>
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<td>October 6-8</td>
<td>Money Supply</td>
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<td>October 13-15</td>
<td>Money Supply</td>
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<td>Money Supply/Tools</td>
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<td>Midterm 2</td>
<td>Ch. 9, Ch .11-14 (234-5)(229-30)(283-7), Ch. 14, Ch. 15</td>
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<td>October 27-29</td>
<td>Tools of Monetary Policy</td>
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<td>November 3-5</td>
<td>Tools &amp; Conduct of Monetary Policy</td>
<td>Ch. 13, 16</td>
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<td>November 10-12</td>
<td>Aggregate Demand and Supply</td>
<td>Ch. 22, 19 (480-88)</td>
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<td>November 17-19</td>
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<td>November 24</td>
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<td>Ch. 23 (Web journal due 11/24)</td>
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<td><strong>November 29 – December 2</strong></td>
<td>Final Exam</td>
<td>All Chapters</td>
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*Note: coverage of topics is subject to change; this is a rough guide only.*