

Professor: M. Akacem  
MONEY AND BANKING  
ECONOMICS 4111-100: Summer 2010: Term A  
OFFICE: Econ 216  
Email: [akacem@colorado.edu](mailto:akacem@colorado.edu)  
OFFICE HOURS: M-T: 10:55 a.m. - 11:55 a.m.  
The class will meet on MTWRF from 9:15 a.m. to 10:50 a.m.  
The Class will meet in Econ 117  
Dates: From June 1st to July 2nd, 2010

ECON 4111 class. All cell phones MUST be turned off.

There are NO exceptions.

## **II. Objective of the course:**

The main objective of this course is the study of financial markets. Given the global financial crisis of the past few years, some time will be devoted to cover it, its implications, and the policy response. The assigned text is your standard source for most of the material covered in class, but very often lectures will go beyond the text given the fast developments in the field. You are expected to be prepared for each lecture/topic by reading ahead of time.

Overall, the course will cover the relevant issues in the money and banking field, with an emphasis on institutions, policy and markets. The course assumes that you are already well versed in Macroeconomics and have completed the prerequisites for this class.

money and go on line. You can try Amazon, half.com and a few others as well. The price can be as low as 20 dollars or less. I will also leave a copy on reserve.

In Fed we Trust by David Wessel, Crown Business New York, 2009

The Myth of the Rational Market by Justin Fox, Harper Business, 2009

Fool's Gold: How the Bold Dream of a Small Tribe at J.P. Morgan Was Corrupted by Wall Street Greed and Unleashed a Catastrophe by Gillian Tett 2009

Restoring financial stability: How to repair a failed system, by Viral Acharya (Editor), Matthew Richardson (Editor), New York University Stern School of Business Stern John Wiley & Sons, 2009.

House of Cards: A Tale of Hubris and Wretched Excess on Wall Street by William D. Cohan 2009

The Age of Turbulence by Alan Greenspan, Penguin books 2008

When Markets Collide by Mohamed A. El-Erian, McGraw Hill 2008, winner of the Financial Times and Goldman Sachs Business Book of the Year Award 2008

The Ascent of Money: A Financial History of the World by Niall Ferguson 2008

Islam and Mammon: The Economic predicaments of Islamism, by Timur Kuran, Princeton University Press, 2004.

Running Money by Andy Kessler, Harper Business, 2004.

When Genius Failed: The rise and Fall of Long-Term Capital Management by Roger Lowenstein, Random House, 2000.

Liar's Poker, Michael Lewis, Norton, 1989.

"Secrets of the Temple: How the Federal Reserve Runs the Country", by William Greider, Simon and Shuster, 1987

### **Websites worth visiting:**

Discussion of the financial crisis by Professor Simon Johnson of MIT

<http://baselinescenario.com/>

The Financial Times discussion on Central Banking and the Money Supply

<http://blogs.ft.com/money-supply/>

The Financial Times Economists' Forum:

<http://blogs.ft.com/economistsforum/>

Federal Reserve Bank of San Francisco: Crisis and Response

<http://www.frbsf.org/econanswers/response.htm>

The Financial crisis: A Timeline of events and policy response

<http://timeline.stlouisfed.org/>

From the Federal Reserve Bank of San Francisco: Ask Dr. Econ

<http://www.frbsf.org/education/activities/drecon/askecon.cfm>

The Financial Times on the European crisis

<http://www.ft.com/indepth/euro-in-crisis>

**V. Course Outline: The pace will vary and we may be covering more than one outlines per week.**

This outline may change somewhat depending on current financial events that occur in the US and in the Global financial markets. Be in class and stay informed.

**June 1<sup>st</sup> to June 9<sup>th</sup>:**

Introduction, syllabus and start with outline 1 [covers chapters 1,2 and 3]

Continue with outline 1 [same chapters as with the previous day]

Outline 2, Banking regulation, crisis and response then and now

**Thursday June 10<sup>th</sup>, 2010: Exam One in Class. The exam will cover all of the material reviewed until June 9<sup>th</sup>.**

**From June 11<sup>th</sup> to June 21<sup>st</sup>:**

Outline 4, The Federal Reserve system [chapter 19]

Outline 5, Multiple deposit creation [chapter 17, pages 385 to 398]

Outline 6, The Money Multiplier [chapter 17, pages 398 to 411]

Outline 7, Monetary Base and Budget Deficits, Monetary Policy Tools and the Federal Funds Market [chapters 18 and 20]

Finish outline 7, If times allows we will view The Wall Street Fix

June 18

Lecture and discussion of the following articles: These will be posted on CULearn and can also be found on line.

1. The End by Michael Lewis

<http://www.portfolio.com/news-markets/national-news/portfolio/2008/11/11/The-End-of->

