

San Jose State Univ.

ECON 135, Money and Banking

Sections 22445 and 20527, Spring 2009



Instructor: Warren C. Gibson
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Office hours and location: TBA
Class meets: Mon/Wed 5-6:15 PM (section 22445)
Wed noon-2:45 PM (section 20527)
Classroom: DMH 358
Prerequisite: ECON 1a, Principles of Macroeconomics
Class web page: www.gibson2.com/econ135

Catalog description

Monetary institutions and theory, central banking, Federal Reserve System, interest rates, foreign exchange, price level theory, flow of funds, policy relative to private, government and international finance.

Texts and readings

- Rothbard, “What Has Government Done to Our Money?”
 - Hardcopy available in bookstore or www.mises.org, about \$17
 - Free PDF available at <http://mises.org/rothbard/rothmoney.pdf>
- Hummel and Gibson, “Money and Banking,” draft textbook.
 - Free PDF download from class web page
 - Printed and bound copies will be available at Maple Press, cheap.
- Short readings, available online, may also be assigned.

Course content

We cannot begin to understand and interpret the chaos that struck the world financial system in 2008 without some knowledge of the theory and history of money and banking and their place in the wider world of economic action.

Using a minimum of mathematics, we will explore the micro- and macro-economics of money, banking and finance. We will highlight important historical developments in the U.S., without which the current institutional arrangements would make no sense. I expect to begin most class sessions with current news items that relate to our studies and as time permits, will examine recent events in more detail.

We will start with Rothbard's little gem "What Has Government Done to Our Money?" We will also use a draft version of a textbook that my colleague Prof. Jeff Hummel and I have been preparing, which as indicated above will be available either as a free download or a low-cost bound printout, which I recommend. No over-priced, over-weight, over-decorated books in this class!

Quizzes

I will give 8 or 9 short quizzes, about one per week. There will be five short questions, usually multiple choice. If you miss a quiz, for whatever reason, I will record zero for that quiz. But I recognize that there sometimes unavoidable reasons to miss classes, so I drop your two lowest quiz scores.

Midterm Exam

There will be a midterm exam in class, consisting primarily of multiple choice questions, with a few written questions.

Final Exam

There will be a comprehensive final exam, again consisting primarily of multiple choice questions. Schedule:

- 5PM class: Tues., May 19, 2:45-5:00 PM
- Noon class: Tues., May 19, 9:45-noon

Extra credit

The Economics Department sponsors a Provocative Lecture Series every semester. The subjects include a wide range of topics related to economics. Students are encouraged to attend and earn extra credit for doing so. I may also plan a tour of the San Francisco Federal Reserve – details to be announced.

Grading

Grade components <i>Subject to minor adjustments</i>	
Quizzes	25%
Mid-term exam	30%
Final exam	45%

Cutoff scores for letter grades					
97	A+	93	A	90	A-
87	B+	83	B	80	B-
77	C+	73	C	70	C-
67	D+	63	D	60	D-

Extra credit values will be announced in class.

Schedule of readings and lecture topics

The schedule will be posted on the class web page and updated as we go.

Success in this class

You should have completed the prerequisite because I will assume you know some basic principles of economics such as supply and demand analysis. I don't believe any of the course material is particularly abstruse or opaque, but you must give the course your sustained attention. You are responsible for any announcements I make in class. I urge you to see me in person so I can know a little about you. If my office hours are not convenient, we can arrange another time.

Academic integrity

Your own commitment to learning, as evidenced by your enrollment at San Jose State University and the University's integrity policy, require you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development.

Academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University.

Disability

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Students requesting accommodations must register with the Disability Resource Center.