COURSE DESCRIPTION

This course introduces you to the connections between financial markets and the economy and evaluates the monetary policies and bank regulations in the U.S. It provides an overview of the working of the financial and economic system and seeks to provide an understanding of how a financial economy operates. The course covers topics such as the role of asymmetric information in financial markets and associated regulatory issues that arise, the fundamentals of interest rates and financial institutions, the money supply process and the conduct of the Federal Reserve, the behavior of exchange rates and the international financial system, and rational expectations and the working of efficient markets. Students will understand the role of money and banks in the broader economy. Specifically, students should garner an understanding of the unique role of banks in the financial system and learn the relevance of the Federal Reserve and related central banking topics, including the causes, policy responses, and lessons associated with financial market crises.

COURSE MATERIALS

- **Lecture notes**: Available at Rutgers Blackboard ([blackboard.rutgers.edu](http://blackboard.rutgers.edu)).
  
  I will place the lecture notes on Blackboard. Check Blackboard and your official Rutgers email account regularly.


  This textbook is useful as a background material throughout this course. I will reference relevant chapters in course schedule as we move from topic to topic.

- **Other materials**: If you are looking for additional reading materials, I recommend *Wall Street Journal*, *Financial Times*, and *The Economist*. If you are familiar with quantitative analyses and looking for an advanced book, you can see “Finance Theory and Corporate Policy” (by Copeland and Weston) 4th edition. ISBN: 0321127218.

PREQUISITES

21:220:101 (Intro to Econ-Micro); 21:220:102 (Intro to Econ-Marco); 21:220:231 (Statistical Methods (or) 21:640:211 (Statistics); 29:010:203 (Financial Accounting); 29:010:204 (Managerial Accounting); 21:640:119 (Basic Calculus)
ACADEMIC INTEGRITY
All student of Rutgers University are responsible for knowing and adhering to the academic integrity policy of Rutgers. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the academic integrity review committee which recommends appropriate sanctions to the Office of Student Conduct. There will be no exception to this rule. Please visit the following website for more information on the University’s Code of Academic Integrity and possible sanctions:
http://academicintegrity.rutgers.edu

ATTENDANCE AND PREPARATION POLICY
- Expect me to attend all class sessions. I expect the same of you. If you are to be absent, report your absence in advance at https://sims.rutgers.edu/ssra/, also send me an email with full details and supporting documentation.
- For weather emergencies, consult the campus home page. If the campus is open, class will be held.

GRADING POLICY
Course grades are determined as follows:

- **Class Participation**: The presence of each and every class is mandatory. Students are responsible for all announcements made in class. I expect that students read all lecture notes and assigned chapters in the book before class.
- **(Pop) Quiz**: There will be short (Pop) quizzes throughout the course. Combined together, these will be 20% of the grade. There will be no make-ups for missed quizzes.
- **Exams**: There will be an in-class, closed book, and closed notes, Exam 1 and an in-class, closed book, and closed notes, Exam 2. The dates are mentioned in schedule section. No make-up exams will be held. Any absences will result in a grade of zero.

Your final grade will be based on quizzes, exams, and class participation. These items will be weighted according to the following schedule:

**FINAL GRADE ASSIGNMENT**

Course grades are determined as follows:

- **Class Participation**: The presence of each and every class is mandatory. Students are responsible for all announcements made in class. I expect that students read all lecture notes and assigned chapters in the book before class.
- **(Pop) Quiz**: There will be short (Pop) quizzes throughout the course. Combined together, these will be 20% of the grade. There will be no make-ups for missed quizzes.
- **Exams**: There will be an in-class, closed book, and closed notes, Exam 1 and an in-class, closed book, and closed notes, Exam 2. The dates are mentioned in schedule section. No make-up exams will be held. Any absences will result in a grade of zero.
- Your final grade will be based on quizzes, exams, and class participation. These items will be weighted according to the following schedule:

Class Participation   10%
Quizzes           20%
Exam 1           35%
Exam 2           35%

Finanace (29:390:370)

COURSE SCHEDULE

Schedule dates and/or chapter assignments are subject to change.

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<tr>
<th>Week</th>
<th>Date</th>
<th>Subject</th>
<th>Chapter</th>
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<td>2</td>
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<td>Review (Mar/10), Exam1(Mar/12)</td>
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<td>9</td>
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<td>Investment Banks, Mutual Funds, Hedge Funds, and the Shadow Banking System</td>
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<td>15</td>
<td>May/5, May/7</td>
<td>Review (May/5), Exam2(May/7)</td>
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