

Spring 2017 ECON 353

Financial Institutions

Dr. Grace Kim

Office Hours: MW 4:30-5:30p.m. + T 1:30-3p.m.
& by appointment

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Course website is at the following address:

<http://sakai.duke.edu/portal/site/ECON353Spring2017>

Class Time: MW 11:45a.m.-1p.m.

Class Location: LSRC#A155

Campus weather closures: www.duke.edu

Welcome to the study of financial institutions! Will U.S. financial institutions be superseded by global financial centers elsewhere? The course offers a microeconomics analysis of U.S. financial institutions in a changing global and regulatory landscape. Thus, we will examine the financial innovation and practices of these evolving institutions in response to risk and competition. Is the U.S. prepared for a global financial crisis? The course also offers a macroeconomics analysis of the dynamic relationship between financial markets and government macro policy and the economy. Thus, we will examine the theoretical foundations and practices of U.S. central banking, macroeconomic fluctuations, and financial market impacts. Be prepared to actively debate these issues!

Prerequisites: ECON210D (formerly ECON110D) Intermediate Macroeconomics. ECON 353 is an upper-division course that serves as an elective to fulfill requirements for the Major or the Minor in Economics. It is also among the elective courses for the Finance Concentration for Economics Majors and Finance Minor for others.

Required Textbook: *Financial Markets & Institutions*, 8th edition (2014), Prentice Hall, by Frederic Mishkin and Stanley Eakins, available at the campus bookstore. Additional readings, including case studies, will be assigned. **Textbook readings and lectures are NOT substitutes for each other.**

Requirements: You will be expected to generally use your Duke e-mail account and access Sakai for the course website, particularly to download reading assignments from the **RESOURCES** folder. There will be terms and definitions to memorize, but the central focus of this course will require critical thinking on your part to analyze financial institution issues and case studies. In this upper-division course you are expected to contribute actively and thoughtfully in coursework and discussions. If you must miss a class due only to official University business, formal religious observance, or personal emergencies, it is **YOUR** responsibility to obtain notes from fellow students and information and handouts from the course website.

The Duke Community Standard: The instructor fully supports the Duke Community Standard (DCS) of academic integrity. You are expected to be familiar with and adhere to this document, included in *The Duke Community Standard in Practice: A Guide for Undergraduates*, available online at the website <http://www.registrar.duke.edu/bulletins/communitystandard>. Academic dishonesty will result in failure for the involved work and the course.

Support Services: Students seeking accommodations for disabilities must contact the Director of the Student Disability Access Office at (919) 668-1267 or the Clinical Director of the Academic Resource Center's (ARC) Program for Learning Disabilities and ADHD at (919) 684-5917, where relevant to your situation. See the *Undergraduate Instruction Bulletin 2016-2017*, available online at the Registrar's related link <http://www.registrar.duke.edu/registrar/studentpages/student/bulletins.html> for further information. You must provide official University documentation from either of those offices to the instructor within the first two weeks of classes for any academic accommodations.

Course Help: When my office door is open, you are always welcome to my help. However, to ensure my availability and full attention, students should visit during official office hours or by appointment outside of those office hours.

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Assignments: There will be **2 major assignments** (each worth 1/2 of the course grade) due in class. LATE assignments will be penalized 10 points EACH DAY after the due date, NO EXCEPTIONS. Assignment 1 will focus on a case study of central banking analysis and financial institutions' regulation and practices. Assignment 2 will focus on a research paper applying economic theory to a financial innovation issue.

Participation: Class will consist of lecture plus seminar-style discussion, in which you will be expected to be prepared for that day's class. Thus, although explicit exams and quizzes won't be given or graded, **implicit testing will occur objectively throughout, with discussion in class based on practice exercises and reading you will be expected to do prior to each class session.** Right or wrong responses are not the mere objective, but rather the analysis and insights gained.

Grading: Individual grading issues will be discussed confidentially after class or during office hours, NOT by phone. There is no absolute grading scale, with the exception that a final course average below 60% of the total possible points will receive a grade of "D+" or worse and below 50% of the total points possible will receive a failing grade of "F." Otherwise, grading is curved. Improvement over the course and class participation performance will be taken into consideration for the course grade.

The course grade determination is as follows:

ASSIGNMENT 1	1/2
ASSIGNMENT 2	1/2
PARTICIPATION	required and will affect your grade, i.e., merely doing well on the assignments is insufficient
TOTAL	100% of course grade

CLASS SCHEDULE

<u>DATE</u>	<u>TOPICS</u>	<u>REFERENCE TEXTBOOK</u>
1/11/2017 W	First day of class.	CH 8
1/16 M	No Class. Official University MLK Holiday.	
1/18 W	Central Banking I	CH 9, 10
1/23,25 MW	Central Banking II	CH 15, 16 ASSIGNMENT 1 given.
1/30,2/1 MW	Depository Institutions I	CH 7, 25
2/6,8 MW	Research Conference Week	
2/13,15 MW	Depository Institutions II	CH 17,23
2/20,22 MW	Depository Institutions III	CH 19
2/27,3/1,6*,8 MWMW	Interest Rates Framework	CH 3, 4, 5 ASSIGNMENT 2 given.
3/6* M	ASSIGNMENT 1 due in class, no late exceptions!	
3/13,15 MW	No Class. University Spring Recess.	
3/20,22 MW	Nondepository Institutions	CH 26, 20
3/27,29 MW	Nondepository Institutions II	CH 21, 22
4/3,5 MW	Classic Markets I	CH 11
4/10,12 MW	Classic Markets II	CH 12, 14
4/17,29,24 MWM	Classic Markets III	CH 13, 6, 24
4/26 W	Last day of class. ASSIGNMENT 2 due in class, no late exceptions!	

Check ACES online for the **official final course grade.** Check Sakai Course Gradebook online for **individual scores.**

Note: The instructor reserves the right to make syllabus, grading, and schedule adjustments.

Note: The student is responsible for properly registering for/withdrawing from the course.

F1/28 Last day to Drop/Add courses. (from Office of the University Registrar Academic Calendar)

W3/29 Last day to withdraw with W from Spring 2017 classes. (from Office of the University Registrar Academic Calendar)