

Syllabus

Money, Banking and Capital Markets Italy Fall 2015

Instructor:

Robert G Crawford

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Office hours by Appointment

US Telephone 801-368-2262

Goals and Objectives of the course:

Now is an amazing time to study Money, Banking and Capital Markets. In addition to the issues always in play, the current Greek Banking Crisis, the Monetary sanctions imposed on Russia by The EU and the US because of Russian activities in Ukraine—still evolving as the course begins—create interesting real cases to give practical implications to this course. Being in Italy with its own banking issues is an invaluable opportunity to experience the implications of money and banking in person. This course will examine the economics of these financial events from the perspective of theory conditioned by the political practicalities that drive them.

The advantage of studying at CIMBA is the personal attention from me that is available on an unlimited basis. You have contact with professors in a way not usually available to you at your home university. That is a great advantage when letters of recommendation are needed. You can't underestimate this feature of CIMBA.

The course is divided into three sections.

Section One examines the structure money flows in any economy. Attention is given to stocks and flows and interest rates as their regulator. Present Value analysis will be introduced in this section in preparation for valuing financial instruments.

The use of options contracts in distributing risk is also a part of this section.

Section Two presents examine banking as a business and the significant role banks have in stabilizing the economy. The role of Central Banks—the ECB and the FED—are examined here.

Section Three examines the Macro Economy and its dependence on Money and Banks. The role of the institutions of fiscal and monetary policy combined with the role of trade in the economy completes the course.

Each of these sections will incorporate banking aspects of the EU and Greece, and Russia/Ukraine based on information in the financial and political press.

Course materials are:

Text: Cecchetti "Money, Banking and Capital Markets" 3rd Edition

Financial Press: WSJ, NYTimes, Economist to which the Instructure has subscription access. A study guide will be provided.

Course Policy:

Attendance is mandatory as stated by CIMBA guidelines

Grades will be based upon a midterm Exam, a Final Exam and class participation. Exam times are

specified in the daily class schedule included in the study guide. Grades will follow the University of Iowa guidelines. Having taught this course often, I determine grades base on a "curve" rather than an absolute point spread. Doing so means that "variance" due to instructor is removed from the grade determination process. Explanation of the process will be given on the first day of class discussion.

Students with special circumstances will be accommodated. Because course work at CIMBA is very personalized, any additional help will be provided by the instructor as needed.

University of Iowa policy specifies that students are responsible for all official correspondence sent to their standard University of Iowa e-mail address (@uiowa.edu). (Privacy considerations, such as federal law, may apply when using an address other than the standard University e-mail address. The University provides guidance for acceptable etiquette when utilizing electronic communication technologies.)

University of Iowa Policies

Which College Governs this Course?

Virtually everything that concerns your class, including dropping and adding the class after the deadline and academic misconduct, will be controlled by the College that offers the course (i.e., the Tippie College for classes with a 06 prefix). The Provost's Office encourages Instructors to put statements in our syllabi that course policies are governed by the Tippie College of Business.

Accommodating Students with Disabilities/Academic Accommodations

A student seeking academic accommodations such as a modification of seating, testing, timing, etc. should first register with Student Disability Services, then contact Shannon Lizakowski (Shannon-lizakowski@uiowa.edu) in the CIMBA Office to make further arrangements. See <http://sds.studentlife.uiowa.edu> for more information.

Academic Misconduct

If you have assigned projects, students may work with other students, share information, etc. Plagiarism, cheating, unauthorized collaboration and other areas covered by the Honor Code. Violations of expectations and policies that constitute academic misconduct are handled according to the Honor Code in the College and all are bound by this Code even if they are not Tippie College of Business students.

Faculty are required to report academic misconduct; when a student is thought to have violated the Honor Code, action as specified by the Honor Code language that applies to your course (<http://tippie.uiowa.edu/honorcode.cfm>) will be reported to the Senior Associate Dean.

"It is my sincere hope that no student in this class submits work which is not his or her own where that is required. If I determine that any assignment was not written solely by the student whose identification number appears on the project, the student will receive a zero (0) for the assignment and may receive an "F" for the class. All incidents of cheating will be reported to the Senior Associate Dean of the Tippie College of Business and the student may be placed on disciplinary probation for the remainder of his or her undergraduate work at the University of Iowa. In general, the decision of the

Professor may be appealed to a Judicial Board, then to the appropriate Associate Dean. The Honor Code for the Tippie College of Business will determine the appropriate appeal process.”

Sexual Harassment

Sexual harassment subverts the mission of the University and threatens the well-being of students, faculty, and staff. All members of the UI community have a responsibility to uphold this mission and to contribute to a safe environment that enhances learning. Incidents of sexual harassment should be reported immediately. If you feel that you are being or have been harassed or you are not sure what constitutes sexual harassment, we encourage you to visit the University website, www.sexualharassment.uiowa.edu/index.php, and to seek assistance from the CIMBA Director, Brandelle Unkrich, at 319-335-1041 or brandelle-unkrich@uiowa.edu.

Last Week of Classes

All finals must be given during the time scheduled for the exam; finals cannot be given during the last week of class. Any exam given during the final week of classes, if it is the last exam given during the course, is considered a final exam.

Absence Policy

Attendance at all classes and CIMBA sanctioned activities is MANDATORY. All unexcused absences will have the following consequences: a. 1st absence will result in a loss of a 1/3 of a letter grade in that class b. 2nd (cumulative) absence will result in a loss of an entire letter grade in that class c. 3rd (cumulative) absence will result in a dismissal from the program Absences due to illness require a note from the CIMBA Staff. If a student is sick and cannot attend class, he/she must inform the CIMBA Staff immediately. Failure to do so will result in an unexcused absence.

Grievance Policy

Student concerns regarding this course should first be discussed with me, the faculty member teaching this course. If we can't resolve the complaint, you may contact the CIMBA Director, Brandelle Unkrich (319-335-1041, brandelle-unkrich@uiowa.edu). The Director will review the details of the complaint and involve the Associate Dean of the Undergraduate Programs, as needed.

Money and Banking CIMBA

Fall Semester 2015

Instructor: Robert Crawford**E-mail:** robert_crawford@byu.edu

Teaching Sessions

Fall 2015 Italy

Class meets 3:25 - 5:15 pm each period

Week	Session	Topic	Text Reading
1	1	[3:25 - 4:25pm] Introduction to Professor and Course	Ch. 1,2 & Crawford Money, Morality
2	2	[3:25 - 5:15 pm] Money in the Financial System	...
3	3	System; Stock D & S; Fin Markets, Insts & Instits	Ch 3; Read more than once Dalio's Economy as System
	4	Fin Inst cont'd ; Intro to PV, FV and Interest Rates	Ch 4: PP 65 - 77
4	5	PV, FV Interest Rates Mortgages	Ch 4 pp:78-86
	6	Basics of Bonds	Ch 6 pp:120-142
		Company Tour Banca Veneto	
6	7	Market Determination of Rates	Ch 7 pp 147-168
	8	Risk and Term Structure	Ch. 9 pp 196-202
7	9	Junk Bonds; Financial Derivatives: Futures & Options	Ch 9 pp:203-212
	10	Using Options & Study Questions	Market Illustrations
8	11	Using Options & Exam Questions & Review	Market Illustrations
	12	Midterm Exam	
9	Travel		
	Travel		
	Travel		
	13	Return Exam; Global Exchange & Rate Determination	Ch 10 Ch 12: pp 272-295; Ethical Lapse to Financial Collapse
10	14	Banks and Management; Financial Crisis	Lecture Material
	15	Macro Analysis and Aggregate Demand	Lecture Material
	16	Aggregate Supply SR & LR	Lecture Material
11	17	Examples of Shock Analysis	Ch 22 (542-552)
	18	Central Banks/Monetary Policy	Ch 17(399-22) Ch 18(445-51)
12	19	Government Budget: Taxes, Expenditures & Deficits	Lecture Material
	20	Trade Deficits: CAB & KAB	Warren Buffet and Economic Myth
	Travel		
	21	Review for Final	
	22	Final	
		Final	