



Dillard College of Business Administration

**Syllabus:
ECON 3703 101
Money-Banking-Monetary Policy
Tuesday and Thursday
2:00 pm until 3:20 pm
Dillard Building 178
Fall 2026**

CONTACT INFORMATION:

INSTRUCTOR: Dr. John E. Martinez
OFFICE BLDG: Dillard College, Second Floor, Room 255
OFFICE PHONE: (940) 397-4722
E-MAIL: john.martinez@msutexas.edu
Students should contact instructor at this email address; not through d2L.
OFFICE HOURS: 10:15 am to 11:30 am Monday through Thursday
or by appointment.

SYLLABUS CHANGE POLICY:

This syllabus is a guide for the course and is subject to change. All changes will be announced in class (or through email) and students will be responsible for incorporating the changes into the syllabus. If, at some point, the university switches to an online format, then there will be significant changes in the manner in which exams are administered. Any exam taken online will be monitored through RESPONDUS, which will require students to have access to a video webcam.

Syllabus Statement – Addendum

To help students keep track of their progress toward course objectives, the instructor for this class will provide a Midterm Progress Report through each student's Web World account. Midterm grades will not be reported on the students' transcript; nor will they be calculated in the cumulative GPA. They simply give students an idea of where they stand at the midpoint of the semester. Students earning below a C at the midway point should [schedule a meeting with the professor? Seek out tutoring? Both?]

**COURSE MATERIALS:
Optional TEXTs**

- [Finance, Banking, and Money v. 2.0 - Table of Contents](#)
This book is licensed under a [Creative Commons by-nc-sa 3.0](#) license.
- [Money, Banking, and Financial Markets: 2nd Edition](#), Laurence Ball
ISBN: 9781429244091 Publisher: Worth Publishers

OTHER ANCILLARY MATERIAL:

Students need to have access to the following:

WebCam video and a Thumb drive.:

Each student should have a thumb drive (USB) on which to keep various data sets and assignments that will be a part of each class. Projects and assignments may include the requirement that electronic versions of your work be submitted.

COURSE DESCRIPTION:

An analysis of money, banking, and monetary policy, including an introduction to monetary theory. Topics include the use of balance sheet management techniques to control interest rate risk and increase profit in a dynamic banking environment.

LEARNING GOALS:

General Learning Goals:

Upon successful completion of this course, the student should: Demonstrate problem-solving and decision-making abilities through the critical analysis, evaluation, and interpretation of business information.

Course Specific Learning Goals:

- Have acquired factual knowledge about money and banking terminology, methods, and trends.
- Understand basic principles necessary for thinking critically about specific money and banking issues and policy alternatives available.
- Understand how to apply money and banking principles and policies in the contexts of business, government, politics, and society.
- Recognize the importance of money and banking with respect to private and public decisions.
- Have basic tools to evaluate monetary policy options and changes from the perspective of an informed voter and member of society.

Assessment:

Attainment of learning goals will be assessed primarily through quizzes and exams. Exercises and exams will assess student problem solving and decision making abilities as demonstrated by critical analysis, evaluation, and interpretation of business and economic information.

Student Handbook

Refer to: [Student Handbook](#)

Academic Misconduct Policy & Procedures

Academic Dishonesty: Cheating, collusion, and plagiarism (the act of using source material of other persons, either published or unpublished, without following the accepted techniques of crediting, or the submission for credit of work not the individuals to whom credit is given).

Additional guidelines on procedures in these matters may be found in the Office of Student Conduct: [Office of Student Conduct](#)

Moffett Library

Moffett Library provides resources and services to support student's studies and assignments, including books, peer-reviewed journals, databases, and multimedia materials accessible both on campus and remotely. The library offers media equipment checkout, reservable study rooms, and research assistance from librarians to help students effectively find, evaluate, and use information. Get started on this [Moffett Library webpage](#) to explore these resources and learn how to best utilize the library.

Grading

Table 1: Points allocated to each assignment

Assignments	Pts. Option I	Pts. Option II
Quizzes	200	160
Major Exams (4)	600	480
Research Project	200	160
Final Exam (optional*)		200
Bonus Pts. (no set number of points)		
Total Points	1000	1000

*All other assignments are reduced by 20% if final is taken.

Table 2: Total points for final grade.

Grade	Points
A	900
B	800 to 899
C	700 to 799
D	600 to 699
F	Less than 600

GRADE EVALUATION: As a percent of total points:

A (Above 90), B (80-89), C (70-79), D (60-69), F (below 60)

Total Points:

Option I: [Exm Avg. X 6.0]+[Qz Avg. X 2.0]+[Res Report X 2.0]+[Final X 0.0]+[Bon Pts.]

Option II: [Exm Avg. X 4.8]+[Qz Avg. X 1.6]+[Res Report X 1.6]+[Final X 2.0]+[Bon Pts.]

Major exams:

Four major exams will be given. Each exam is equally weighted and will involve calculation and derivation of answers as well as their interpretation and meaning. Each of the four major exams involve in-class problem-essays oriented exam based mainly on questions from the text and class lectures. Failure to take an exam on the scheduled date without prior permission from the instructor will result in a zero for that exam. No makeup exams are given. Provided that instructor permission was granted for missing any one exam, the average on the other exams will replace the missing exam score. All exams are in-class.

Quizzes: Approximately 16 unannounced quizzes will be given throughout the semester. Quizzes are based on objective-type questions that are strictly limited to questions from

designated articles and [See the attached sheet for assigned articles.] A student can miss as many as two quizzes without adverse consequences to their grade. No makeup quizzes are granted.

Research Report

Students are required to write a paper on the merits of sovereign and private stablecoins. See attachment below for specific details of this assignment and formatting requirements.

Final exam:

An **optional** comprehensive final exam will be given, though it will be more heavily weighted toward assigned articles given throughout the semester. The exam will involve calculation and derivation of answers as well as their interpretation and meaning. Questions will come from the text, notes, and articles.

Bonus Point Quizzes:

Numerous (almost daily) bonus quizzes will be given throughout the semester. The quizzes are strictly optional. The quizzes will come from the text, lecture notes, and from designated articles.

Missed Final Exam Policy:

No makeup exams are given. If, because of a truly unavoidable situation, you are absolutely not able to take the final exam at the scheduled time/date, it is **your responsibility** to talk to me well in advance to ask to take the exam early. If a real, legitimate, last minute **emergency** occurs, it is **your responsibility** to contact me before the exam begins. If I am not available in my office, you must leave a voice mail or e-mail **before the exam begins**. Provided there is a legitimate reason for missing the last exam, a student will receive a grade of 'I' for the course. If a student has a legitimate reason for missing any one Exam, the average on the other exams will replace the missing exam score. Failure to adhere to exam instructions will result in a grade of zero for that exam.

Class Participation:

Students are expected to participate in class discussions. Many important announcements are provided in lectures.

COURSE POLICIES:

Late Work

Late work is not accepted.

Make Up Work/Tests

Students are not permitted to make up missed assignments and tests. However, for legitimate reasons, as defined by the professor, the final exam score can be substituted for the missed assignment.

Important Dates

[2026-2027 Academic Calendar](#)

Fall Semester 2026*

Priority Application Date for Admission	March 1
Application Deadline for Admission	August 1
Faculty Meetings	August 17
Student Registration	April 1-August 24
Classes begin for Fall 16 week and Part of Term A	August 24
Change of Schedule and Late Registration	August 24-27
Labor Day - No classes	September 7
Census Day (12th Class Day)	September 8
20th Class Day	September 16
Deadline for December graduates to file for graduation	September 21
Priority Deadline for May graduates to file for graduation	October 5
Part of Term A Last Day for "W", 4:00 p.m.	October 7
(Drops after this date will receive grades of "F.")	
Spring 2027 Schedule of Classes available online	mid-October
Part of Term A ends	October 16
Part of Term B begin	October 17
Application Deadline for Admission Spring 2027	November 1
Last Day for "W" for Long Semester and Part of Term B, 4:00 p.m.	November 23
(Drops after this date will receive grades of "F.")	
Thanksgiving Holidays (Campus closed November 25th).	November 25-29
Classes resume	November 30
Last day of classes	December 4
Final examinations begin	December 5
Graduate Commencement	December 11
Undergraduate Commencement	December 12

Desire-to-Learn (D2L)

Extensive use of the MSU D2L program is a part of this course. Each student is expected to be familiar with this program as it provides a primary source of communication regarding assignments, examination materials, and general course information. You can log into [D2L](#) through the MSU Homepage. If you experience difficulties, please contact the technicians listed for the program or contact your instructor.

Attendance

A. Attendance Policy:

Being an in-person course, physical classroom attendance is recommended, but not required. However, students are expected to access all videos and taped lectures for this course. Additionally, except for a limited number of situations, the instructor will not review class material nor reiterate class instructions to any student not regularly viewing class videos or not attending class on regularly basis. Many important announcements are provided for this course. You are expected to log into D2L a minimum of once daily to check for updates and announcements via postings and email.

Use of personal electronic communication devices, other than through D2L, is not permitted during exams and students are required to disable any other electronic instruments during exams. Individuals holding devices that disrupt class may be asked to leave the class for the remainder of the session.

Expectation: Answers you provide in exams and case studies are expected to reflect logical reasoning, to be well articulated, including correct grammar and punctuation and to be clearly legible, in a manner and format that would be acceptable for a business report in a commercial setting. Students will be expected to develop a base knowledge in using SAS. Each student is expected to become sufficiently familiar with the Desire-2-Learn (D2L), as it will be a primary communication instrument for this class.

Online Computer Requirements

Taking an online class requires you to have access to a computer (with Internet access) to complete and upload your assignments. It is your responsibility to have (or have access to) a working computer in this class. ****Assignments and tests are due by the due date, and personal computer technical difficulties will not be considered reason for the instructor to allow students extra time to submit assignments, tests, or discussion postings.*** Computers are available on campus in various areas of the buildings as well as the Academic Success Center. ****Your computer being down is not an excuse for missing a deadline!!*** There are many places to access your class! Our online classes can be accessed from any computer in the world which is connected to the internet. Contact your instructor immediately upon having computer trouble. If you have technical difficulties in the course, there is also a student helpdesk available to you. The college cannot work directly on student computers due to both liability and resource limitations however they are able to help you get connected to our online services. For help, log into [D2L](#).

Recording Classes

****Recording classes is generally prohibited without the professor's explicit permission.*** Such recordings, when permitted, are for personal use only and may not be uploaded to the internet or otherwise shared, transmitted, or published without the professor's prior consent. Some faculty may not permit recordings of their classes. When it is feasible and appropriate, students may record classes to accommodate disabilities under the Americans With Disabilities Act, (ADA) with prior approval of Disability Support Services. Such recordings may not be uploaded to the internet or otherwise shared, transmitted, or published.

Instructor Class Policies

Lower Grades:

The instructor reserves the right to lower any student's final grade by a letter grade for:

- (A) A negative, rude, unreasonably argumentative attitude in class, or
- (B) Repeatedly disrupting the class for any reason (tardiness), or
- (D) NOT showing respect for fellow classmates' questions or opinions, or
- (E) NOT following exam instructions

Academic Integrity:

With regard to academic honesty, students are referred to the "Student Honor Creed" of Midwestern State University Undergraduate Catalog, which may be found using the following MSU link: [Link to Student Honor Creed](#).

Plagiarism statement:

By enrolling in this course, the student expressly grants MSU a 'limited right' in all intellectual property created by the student for the purpose of this course. The 'limited right' shall include but shall not be limited to the right to produce the student's work product in order to verify originality and authenticity, and educational purposes. <https://msutexas.edu/student-life/conduct/>

Correspondence:

All correspondence regarding grades or class issues must be conducted through email using MSU email or through D2L. It is recommended that student use and regularly monitor their MSU email and D2L account. In your correspondence with instructor, use the instructor's email account, **not through D2L**. In your email to instructor, preface your text with 'BUAD 5603 First, Last Name" otherwise your text will be disregarded.

Netiquette:

Students are expected to follow rules of common courtesy in all email messages, class discussions, chats, etc. Inappropriate or offensive messages will be forwarded to the appropriate authorities.

Change of Schedule

A student dropping a course (but not withdrawing from the University) within the first 12 class days of a regular semester or the first four class days of a summer semester is eligible for a 100% refund of applicable tuition and fees. Dates are published in the Schedule of Classes each semester.

Refund and Repayment Policy

A student who withdraws or is administratively withdrawn from Midwestern State University (MSU) may be eligible to receive a refund for all or a portion of the tuition, fees and room/board charges that were paid to MSU for the semester. HOWEVER, if the student received financial aid (federal/state/institutional grants, loans and/or scholarships), all or a portion of the refund may be returned to the financial aid programs. As described below, two formulas (federal and state) exist in determining the amount of the refund. (Examples of each refund calculation will be made available upon request).

Services for Students with Disabilities

In accordance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, Midwestern State University endeavors to make reasonable accommodations to ensure equal opportunity for qualified persons with disabilities to participate in all educational, social, and recreational programs and activities. After notification of acceptance, students requiring accommodations should make application for such assistance through Disability Support Services, located in the Student Wellness Center, (940) 397-4140. Current documentation of a disability will be required in order to provide appropriate services, and each request will be individually reviewed. For more details, please go to [Disability Support Services](#).

Emergency Aid Resources for Basic Needs

Unexpected life circumstances can affect anyone. If you are experiencing challenges meeting basic needs—such as housing, utilities, food, transportation, healthcare, technology,

textbooks or other life necessities, resources may be available to help. Visit the [Student Emergency Support and Resources webpage](#) to learn more, and explore emergency support opportunities through MSU and how to access them. For additional information, please contact the Office of Student Affairs: Clark Student Center #108, (940) 397-7500, student.affairs@mstuexas.edu.

College Policies

Campus Carry Rules/Policies Refer to: [Campus Carry Rules and Policies](#)

Campus Carry

Effective August 1, 2016, the Campus Carry law (Senate Bill 11) allows those licensed individuals to carry a concealed handgun in buildings on public university campuses, except in locations the University establishes has prohibited. The new Constitutional Carry law does not change this process. Concealed carry still requires a License to Carry permit, and openly carrying handguns is not allowed on college campuses.

Active Shooter

The safety and security of our campus is the responsibility of everyone in our community. Each of us has an obligation to be prepared to appropriately respond to threats to our campus, such as an active aggressor. Please review the information provided by MSU Police Department regarding the options and strategies we can all use to stay safe during difficult situations. For more information, visit [MSUReady – Active Shooter](#). Students are encouraged to watch the video entitled “Run. Hide. Fight.” which may be electronically accessed via the University police department’s webpage: [“Run. Hide. Fight.”](#)

Smoking/Tobacco Policy

College policy strictly prohibits the use of tobacco products in any building owned or operated by WATC. Adult students may smoke only in the outside designated-smoking areas at each location.

Alcohol and Drug Policy

To comply with the Drug Free Schools and Communities Act of 1989 and subsequent amendments, students and employees of Midwestern State are informed that strictly enforced policies are in place which prohibits the unlawful possession, use or distribution of any illicit drugs, including alcohol, on university property or as part of any university-sponsored activity. Students and employees are also subject to all applicable legal sanctions under local, state and federal law for any offenses involving illicit drugs on University property or at University-sponsored activities.

Grade Appeal Process

Update as needed. Students who wish to appeal a grade should consult the Midwestern State University [MSU Catalog](#)

Americans with Disabilities Act:

This class follows the guidelines suggested by the Center for Counseling and Disabilities Services for those students who qualify for disability services. **See Midwestern State University Undergraduate Catalog.**

D2L: The Midwestern State University D2L program will be incorporated into this class and will provide the primary default means of communication. Grades will be posted using D2L. Each student is expected to master the use of the university website, D2L. Assistance to achieve comfort using this program will be available as needed.

OTHER RELEVANT INFORMATION:

Midwestern State University Student Handbook:

See the most recent MSU Student Handbook for a statement of the university's policy on academic dishonesty. Any other questions not specifically addressed by this syllabus are governed by the student handbook. Make sure you have a copy and are familiar with all the information from the Office of Student Rights and responsibilities:

<https://msutexas.edu/student-life/conduct/>

Medical or Other Serious Problems:

Please take time and make the effort to advise me if you have difficulties that require my attention to properly evaluate your classroom participation and activities.

Tape Recordings and Cell Phones:

Tape recording of lectures is permitted. You may not tape record any information or class discussion when a graded test is being reviewed. Cell phones and pagers are prohibited unless the instructor has granted permission to have them in class. However, cell phones can not be displayed in any form; they should be kept in one's pocket, purse, or backpack.

Return of Exams:

Never take an exam or graded answer sheet out of the classroom. This will result in an automatic zero (0) on the exam.

Deadlines:

Do not wait for the last minute to do your homework. **Check D2L for all** assignments and the deadlines. Reply and check for replies on every email sent and received. The student is responsible for getting the work to me on time.

Weekly schedule

Week or Module	Topic -Subject Coverage
Week 1: 08/25-08/27	1. The Financial System
Week 2: 09/01-09/03	2. Money and Central Banks
Week 3: 09/08-09/10	3. Asset Prices and Interest Rates
Week 4: 09/15	4. What Determines Interest Rates?
Week 4: 09/17	5. Securities Markets
Week 5: 09/22	Exam I
Week 5: 09/24	6. Asymmetric Information in Financial System
Week 06: 09/29-10/01	7. The Banking Industry
Week 07: 10/06	8. The Business of Banking & Banking Regulation
Week 08: 10/13	Exam II
Week 08: 10/15	No class
Week 09: 10/20-10/22	10. The Money Supply and Interest Rates
Week 10: 10/27-10/29	11. Short-Run Economic Fluctuations

Week 11: 11/03-11/05	12. Economic Fluctuations and Financial System
Week 12: 11/10	13. Inflation and Deflation
Week 12: 11/12	Review Exam III
Week 13: 11/17	Exam III
Week 13: 11/19	14. Foreign Exchange Markets
Week 14: 11/24	15. Monetary Policy and Exchange Rates
Week 14: 11/26	Thanks Giving Holiday
Week 15: 12/01	16. Financial Crises
Week 15: 12/03	Exam IV
Week 15: 12/03	Research Project Due (by midnight)
Week 16: 12/08	Final Exam (Tuesday 5:45-7:45pm)
Final Exam Schedule	

Articles for ECON3703 _ Money and banking

Part	Article*	Exam
I	The Costliest Mistake in All of Economics	I
I	What Is the Difference Between Commodity and Fiat Money?	I
I	Stablecoins 101 What are crypto stablecoins	I
I	The GENIUS Act Provides Profits for the Crypto Industry...	I
II	Diamond-Dybvig Model of Bank Runs	II
II	Adverse Selection and Moral Hazard - A Primer	II
II	A clash over tougher bank capital rules	II
II	Banking turmoil – What we know	II
III	Why are interest rates so low?	III
III	Inflation Dos and Do nots	III
III	7 things to Know about National Debt, Deficits, and the Dollar	III
III	The Simple Mistake That Almost Triggered a Recession	III
IV	Why Not the Gold Standard?	IV
IV	Trump's Cross of Gold	IV
IV	Shadow Banking and the Crisis of 2007-08	IV
IV	The Financial Crisis for the Next One	IV

*Changing economic conditions may necessitate using other more current articles.

RESEARCH REPORT ON SOVEREIGN VS PRIVATE MONEY

In their article, "PROTECTING THE SOVEREIGN'S MONEY MONOPOLY," Gary B. Gorton and Jeffery Y. Zhang argue the following:

“Sovereign states have held a monopoly over the production of circulating money for well over a century. Governments, not private entities, issue circulating money. The advent of stablecoins—privately issued digital money that can circulate—raises the question of the sovereign’s money monopoly from the grave. Should private money circulate alongside sovereign money in the twenty-first century? We argue against coexistence to preserve financial stability and monetary sovereignty.”

In Part I, the authors distinguish between different types of money in the modern financial system to advance the debate. In Parts II and III, they then turn to financial history to support the economic analysis in Part I. Part III turns to case studies of transitions from coexistence to the sovereign monopolies in several countries. In Part IV, they present the current legislative proposals [the Genius Act] for coexistence and then challenge their desirability.

In the first part of the report, summarize the various arguments used by the authors as discussed in each Part, from I-IV. For this section of the research paper, there is no need to use sources outside the paper.

For the second part, critically assess and evaluate the author’s overall conclusions. Utilize different sources, especially those which take an opposite viewpoint from Gorton and Zhang. In your report, be sure to properly document any sources used (i.e., “The world should follow Trump’s lead on stablecoins,” <https://www.economist.com/leaders/2025/07/24/the-world-should-follow-trumps-lead-on-stablecoins>).

Research Project Formatting Instructions

For your report use Microsoft WORD. Use one-inch margins, single-spaced paragraphs, and 12-font character. Other than using WORD, no particular style is required for the research paper; however, use a consistent format style throughout the paper.

Use notes and references in creating citations to acknowledge the sources of information used in your report. For the Footnotes-References section, use numbered footnotes with a corresponding bibliography (Endnotes) at the end of the document. This system helps avoid plagiarism and allows readers to easily locate the original source material. Footnotes are numbered references (footnotes or endnotes) that appear in the text, usually as superscript numbers, directing the reader to the source information. They should appear at the bottom of the page. Endnotes should appear on a separate page at the end of the document.

General Instructions for using references in a Self-Written Report:

- Use citations anytime you use facts, data, or ideas that aren’t your own; when quoting or paraphrasing someone else’s words; or when using tables, figures, or statistics from another source.
- For In-Text citations, place the citation directly in the text where you use the source. Format depends on the style guide (APA, MLA, Chicago, etc.).
- Style Examples: APA (7th edition): (Smith, 2020) or (Smith & Lee, 2020, p. 45); MLA (9th edition): (Smith 45); Chicago (Author-Date): (Smith 2020, 45)
- Reference List (Bibliography) Goes at the end of the report; list all works cited in the text, using a consistent style guide.