



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 2025**

CONTACT INFORMATION:

INSTRUCTOR: Dr. John E. Martinez
OFFICE BLDG: Dillard College, Second Floor, Room 255
OFFICE PHONE: (940) 397-4722
CELL PHONE: (940) 867-2702 (text only, please not after 10pm unless an emergency.)
E-MAIL: john.martinez@msutexas.edu
OFFICE HOURS: **10:00 am to 11:15 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.

COURSE MATERIALS:

TEXT-OPTIONAL: Money, Banking, and Financial Markets: 2nd Edition, Laurence Ball
ISBN: 9781429244091 Publisher: Worth Publishers
Electronic versions are permissible.
Students are expected to have access to a video webcam.

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.

COURSE POLICIES:

A. Attendance Policy:

Students are expected to attend all class meetings for this course. Each meeting of the class will run as scheduled. So as not to disturb the class, you are not to walk in and out of the classroom during the class hour except for an emergency. Class roll may be taken during the first five minutes of class, in which case a late student would be counted absent. Many important announcements are made in class. You should always contact one of your classmates when you are absent. You are expected to log into D2L a minimum of once weekly to check for updates and announcements via postings and email. See the university catalog for the University Class Attendance Policy.

B. Other Related Policies

Contact Procedures:

Sending messages either through my email or through D2L is the easiest asynchronous method of contacting me with a substantial issue. I respond to your emails within 48 hours (usually much faster). Text messages to my cell phone work well for quick issues. Calling me by cell is for pressing matters only.

Course Time:

Deadlines indicated in the syllabus/D2L are for Central Daylight Time. If you are completing coursework in another time zone, please note the time difference and plan accordingly.

Missed Examination Policy:

You are responsible for managing your schedule to complete the quizzes by the posted time / date. If an emergency arises (e.g. serious injury, serious illness or death in your immediate family) contact me ASAP for different test arrangements.

GRADING and EVALUATIONS:

A student's grade will be based on one of the following:

Option I:

Major Exams	60%	600 Points
Quizzes	20%	200 Points
Research Report	20%	200 Points

Option II:

Major Exams	40%	600 Points
Quizzes	20%	200 Points
Research Report	20%	200 Points
Final Exam	20%	200 Points

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: $[\text{Exm Avg.} \times 6.0] + [\text{Qz Avg.} \times 2.0] + [\text{Res Report} \times 2.0] + [\text{Final} \times 0.0] + [\text{Bon Pts.}]$

Option II: $[\text{Exm Avg.} \times 4.0] + [\text{Qz Avg.} \times 2.0] + [\text{Res Report} \times 2.0] + [\text{Final} \times 2.0] + [\text{Bon Pts.}]$

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?]

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 has two parts: 1) an in-class problem-essay oriented exam based mainly on questions from the text and class lectures and 2) an objective quiz that is strictly limited to questions from designated articles and [See the attached sheet for assigned articles.] 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 12 quizzes will be given throughout the semester. These quizzes are found in ASSIGNMENTS in D2L. Submit the quizzes to the appropriate drop box in d2L by, or before, the stated date of completion. Student can miss as many as two quizzes without adverse consequences to their grade. No makeup quizzes are granted. Bonus quizzes are given on an unannounced basis.

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.

Campus Carry:

Senate Bill 11 passed by the 84th Texas Legislature allows licensed handgun holders to carry concealed handguns on campus, effective August 1, 2016. Areas excluded from

concealed carry are appropriately marked, in accordance with state law. For more information regarding campus carry, please refer to the University's webpage at [Campus Carry Polices Link](#).

Academic Integrity:

With regard to academic honesty, students are referred to the "Student Honor Creed" of **Midwestern State University Undergraduate 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.

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 reproduce 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 your **Midwestern State University (MSU) email or through D2L**. I will not return answers to questions to other email accounts and will not discuss grades or class standing over the phone. It is recommended that students first use and regularly monitor their MSU email. Student's D2L account is also available but not on as timely a basis as their email account. The subject line of any message sent to me in relation to this class **MUST** be the following: **ECON 3703 First, Last Name**.

Netiquette: Communication Courtesy Code

Students are expected to follow rules of common courtesy in all email messages, class discussions, lecture hall posts, chats, etc. If I consider any of them to be inappropriate or offensive, I will forward the message to the Chair of the department and the online administrators and appropriate action will be taken.

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.

Lower Grades:

The instructor reserves the right to lower any student's final semester grade by a letter grade (i.e., A to B, D to F) for:

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

Course Content and Outline:

PART I FOUNDATIONS

- 1 **The Financial System**
- 2 **Money and Central Banks**

PART II FINANCIAL MARKETS

- 1 **Asset Prices and Interest Rates**
- 2 **What Determines Interest Rates?**
- 3 **Securities Markets**

Exam I – Part I and II

PART III BANKING

- 1. **Asymmetric Information in the Financial System**
- 2. **The Banking Industry**

3. The Business of Banking

4. Bank Regulation

Exam II – Part III

PART IV MONEY AND THE ECONOMY

1. The Money Supply and Interest Rates

2. Short-Run Economic Fluctuations

3. Economic Fluctuations, Monetary Policy, and the Financial System

4. Inflation and Deflation

Exam III – Part IV

PART V MONETARY POLICY*

***Chapters 15 thru 16 will not be covered in their entirety.**

1. Foreign Exchange Markets

2. Policies for Economic Stability

3. Monetary Institutions and Strategies

4. Monetary Policy and Exchange Rates

5. Financial Crises

Exam IV – Part V

Articles for ECON3703 _ Money and banking

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

V	The Financial Crisis for the Next One	IV
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*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, one-inch margins, single-spaced paragraphs, and 12-character font. Other than using WORD, no particular style is required for the research paper; however, use a consistent format style throughout the paper.

The Research Project is due on Tuesday, Dec. 02 by midnight.

Submit your work to a drop box folder under ASSIGNMENTS in D2L. 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.
Examples (APA 7th edition):
 - Book → Smith, J. (2020). Economics in Practice. Oxford University Press.
 - Journal Article → Lee, A., & Kumar, R. (2019). Trade policy and growth. *Journal of Economic Studies*, 48(2), 123–140. <https://doi.org/xxxx>
 - Website: World Bank. (2023). Global economic outlook. <https://www.worldbank.org/>
- Formatting Tips
 - Use a hanging indent (the second line of each reference is indented).
 - Alphabetize by author's last name.
 - Ensure every in-text citation has a matching reference, and vice versa.
- Style Guides
 - APA → Common in social sciences, business, education.
 - MLA → Common in humanities.
 - Chicago → Used in history, law, publishing.
 - IEEE → Engineering and technical reports.