Part One  
  
How to Use the  
Instructor’s Manual  
and Other Textbook Ancillaries

Organization of the Instructor’s Manual

To help instructors cope with the increased demands for good teaching in recent years, *The Economics   
of Money, Banking, and Financial Markets,* Tenth Edition, includes the most comprehensive package   
of supplementary materials of any money, banking, and financial markets textbook. As part of these supplemental materials, I have designed the Instructor’s Manual to help save you time in preparing   
class materials, such as class outlines, solutions to homework problems, lecture notes, and overhead transparencies.

This Instructor’s Manual is divided into four parts. Part One discusses how to use the Instructor’s Manual and the other textbook ancillaries to make your teaching of the money and banking course both more effective and less time-consuming. Part Two contains an overview of all the textbook chapters along   
with teaching tips that I have found effective. Part Three contains the answers to the end-of-chapter problems for use by the instructor to prepare solution sets for the problems he or she assigns to the students as problem sets. Part Four contains transparency masters of chapter outlines, which can be   
used either to make overhead transparencies for use in class or to make handouts for the students.

To obtain any of the available ancillaries, adopters of the text just need to get in touch with their   
Pearson sales representative, or alternatively they can visit the Instructor’s Resource Center at www.pearsonhighered.com/irc.

Alternative Course Outlines

There are many different ways to teach a course on money, banking, and financial markets. For this reason, the material in *The Economics of Money, Banking, and Financial Markets,* Tenth Edition, has been arranged with flexibility in mind, so that many teaching styles can be accommodated. The following sections suggest sample outlines for four main approaches to teaching money, banking, and financial markets, showing how the text can be adapted to each approach, as well as to quarter and semester teaching schedules. Note, however, that many variations on these outlines are possible.

 Outline for General Money and Banking Course

Core Chapters

Chapter No. Chapter Title

1. Why Study Money, Banking, and Financial Markets?

2. An Overview of the Financial System

3. What Is Money?

4. Understanding Interest Rates

5. The Behavior of Interest Rates

10. Banking and the Management of Financial Institutions

11. Economic Analysis of Financial Regulation

12. Banking Industry: Structure and Competition

13. Central Banks and the Federal Reserve System

15. Tools of Monetary Policy

16. The Conduct of Monetary Policy: Strategy and Tactics

22. Aggregate Demand and Supply Analysis

23. Monetary Policy Theory

*For a one-semester course, cover any six of the following optional chapters:*

Chapter No. Chapter Title

6. The Risk and Term Structure of Interest Rates

7. The Stock Market, the Theory of Rational Expectations, and the

Efficient Market Hypothesis

8. An Economic Analysis of Financial Structure

9. Financial Crises

14. The Money Supply Process

17. The Foreign Exchange Market

18. The International Financial System

19. Quantity Theory, Inflation, and the Demand for Money

20. The *IS* Curve

21. The Monetary Policy and Aggregate Demand Curves

24. The Role of Expectations in Monetary Policy

25. Transmission Mechanisms of Monetary Policy

*A one-quarter course would probably only include one or two of the optional chapters unless some of the chapters on central banking and the conduct of monetary p*