

Eastern Illinois University  
Department of Economics

**Proposal to Establish a Track (Concentration)  
on Monetary Economics and Financial Markets  
in the M.A. Economics Program**

September 24, 2015

The Department of Economics currently has two tracks (areas of concentration) in its M. A. program: Applied Microeconomics and Global Economy. Because of increasing demands from students and available faculty resources, the Department seeks to establish a third track, on *Monetary Economics and Financial Markets* (MEFM). As with the other tracks, completing three elective courses from an approved list will qualify a student to have met the requirements of MEFM as well. The Department believes that selecting areas of specialization will give students a clearer perception of the skills they are trying to acquire and will make them more competitive in the job market or in admission to Ph.D. programs at higher institutions of learning.

Creation of the MEFM track was proposed following a meeting among the Chairs and Graduate Coordinators of Economics and MBA programs with Dr. Robert Augustine, the former Dean of the Graduate School, in May 2015. Courses included in the proposed track are drawn from among ECN, MBA and FIN courses. The MEFM track therefore relies on an agreed partnership between the Department of Economics and the School of Business. While the fulfillment of the M.A. ECN degree requirements will not depend on whether the student has chosen any of the tracks, the completion of one or more tracks will be recognized on the student's transcript.

The Monetary Economics and Financial Markets track can be completed by passing any three of the following courses with some restrictions described further below:

1. FIN 4820: International Finance
2. ECN 4840: Money and Banking
3. ECN 4861: International Economic Problems
4. ECN 5433: Applied Econometrics
5. ECN 5441: Seminar in Monetary Economics
6. MBA 5640: Financial Management

As is true of the other ECN tracks, all the courses on the above list are elective courses. While a student is free to take any or all of them, yet of the two courses – FIN 4820 and ECN 4861 – only one can be taken to fulfil the requirements of the MEFM track. These

two courses overlap in part and, for the rest, focus on either micro (FIN 4820) or macro (ECN 4861) topics. ECN 4861 also appears in a currently existing concentration, Global Economy. The course will be counted toward either MEFM or Global Economy (but not both) depending on the student's preference, an issue which may arise if the student has met the requirements of both of those concentrations.

Another course, ECN 5433: Applied Econometrics, already appears in the two tracks currently available in Economics but, because it is a tool course, it will also be included in the proposed MEFM. ECN 5433 extends the basic econometric analysis (introduced in the mandatory course ECN 4973: Introduction to Econometrics) by training students in newer tools of applied economic research. Examples of such techniques include model formulation, estimation, and testing for robustness under diverse settings of cross-section, time-series, and panel data analysis. As with the other tracks, ECN 5433 can be taken to qualify for MEFM but cannot be counted toward multiple tracks a student may want to complete.

*Available faculty resources:* We currently have adequate faculty to teach courses listed under MEFM in Economics or the School of Business. Most of these courses are offered on a two year cycle except for ECN 5433 which is offered each Spring.

*Other changes:* The establishment of MEFM track will require no other changes in Economics or Business because it will simply use the strength of the existing faculty. MEFM will be available on the track menu effective Fall 2015.

Date Approved:

Graduate Program Committee, Department of Economics: May 6, 2015

Department of Economics: May 6, 2015

College of Sciences Curriculum Committee: October 2, 2015

Council on Graduate Studies: \_\_\_\_\_

## APPENDIX

*Track-specific courses:* The following courses will comprise each track:

### Existing:

#### Applied Microeconomics:

1. ECN 4751: Managerial Economics
2. ECN 5411: Seminar in Natural Resource and Environment Econ
3. ECN 5433: Applied Econometrics
4. ECN 5451: Seminar in Public Finance
5. ECN 5470: Advanced Industrial Organization
6. ECN 5491: Problems in Labor Economics
7. ECN 5493: Economics of Human Resources

#### Global Economy:

1. ECN 4861: International Economic Problems
2. ECN 4875: Area Studies
3. ECN 5433: Applied Econometrics
4. ECN 5461: Seminar in International Economics
5. ECN 5471: Seminar in Economic Development

### Proposed:

#### Monetary Economics and Financial Markets:

1. FIN 4820: International Finance
2. ECN 4840: Money and Banking
3. ECN 4861: International Economic Problems
4. ECN 5433: Applied Econometrics
5. ECN 5441: Seminar in Monetary Economics
6. MBA 5640: Financial Management