

# 0201E330

## Money and Banking

**Instructor:** Yaya Sissoko

**Time:** Monday through Friday (June 17, 2019 - July 19, 2019)

**Office Hours:** 2 hours (according to the teaching schedule)

**Contact Hours:** 60 (50 minutes each)

**Credits:** 4

**Location:** Huiquan Building

**Office:** Huiquan Building 518

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### Course Description

This course covers monetary policy, banking and bank regulation, and the functioning of financial markets and institutions. We examine the interconnections between these elements in an open world economy where goods and capital move freely across borders. Major attention will be given to banking and financial crises, their origins and resolution, looking both at the US and other countries. We look at financial structure, financial development and financial crises, with special emphasis on the recent subprime crisis. In addition, we will cover the economics of bank management, along with the effects of the behavior of individual financial institutions on the financial system as a whole and on the economy as a whole.

The course will also cover the theory and practice of monetary policy using the Federal Reserve Bank of the US as our main example. We will cover issues of central bank independence, goals of monetary policy, control of the money supply and tools used by central banks, and issues of tactics and strategy. Consideration will also be given to monetary policy in conditions of deep recession and deflation, quantitative easing and unconventional monetary policy instruments in the most recent crisis. Discussion of money demand and the transmission mechanism is also presented while looking at debates on these crucial issues for central banks.

### Required Textbook(s)

Hubbard and O'Brien. *Money, Banking and Financial Systems*, Pearson, 3rd Edition

### Prerequisites

0201E102 and 0201E101, or permission of instructor

### Course Hours

The course has 25 sessions in total. Each class session is 120 minutes in length. The course meets from Monday to Friday.

### Course Schedule

Please note that the schedule is meant to give an overview of the major concepts in this course. Changes may occur in this calendar as needed to aid in the student's development.

Date	Lesson* (Required Chapter Reading Assignments)	Quizzes
17-Jun	Syllabus	
17-Jun	Chapter 1: Introducing Money and the Financial Systems	Q1
18-Jun	Chapter 2: Money and the Payments Systeme	Q2
19-Jun	Chapter 3: Interest Rates and Rates of Return	Q3
20-Jun	Chapter 4: Determining Interest Rates	Q4
21-Jun	Review - Homeworks, Quizzes, and Exams	
24-Jun	Chapter 5: The Risk Structure and Term Structure of Interest Rates	Q5
25-Jun	Chapter 5: The Risk Structure and Term Structure of Interest Rates	Q6
26-Jun	Chapter 6: The Stock Market, Information, and Financial Market Efficiency	Q7
27-Jun	Chapter 8: The Market for Foreign Exchange	Q8
28-Jun	Review - Homeworks, Quizzes, and Exams	
1-Jul	Review Session for Exam #1 (15-20 Minutes), and Exam #1	
2-Jul	Chapter 9: Transaction Costs, Asymmetric Information, and the	Q9

	Structure of the Financial System	
3-Jul	Chapter 10: The Economics of Banking	Q10
4-Jul	Chapter 10: The Economics of Banking	Q11
5-Jul	Review - Homeworks, Quizzes and Exams	
8-Jul	Chapter 13: The Federal Reserve and Central Banking	Q12
9-Jul	Chapter 14: The Federal Reserve's Balance Sheet and the Money Supply Process	Q13
10-Jul	Chapter 14: The Federal Reserve's Balance Sheet and the Money Supply Process	Q14
11-Jul	Chapter 15: Monetary Policy	Q15
12-Jul	Review - Homeworks, Quizzes and Exams	
15-Jul	Chapter 16: The International Financial System and Monetary Policy	Q16
16-Jul	Chapter 16: The International Financial System and Monetary Policy (First Hour of Lecture)	
16-Jul	Review - Homeworks, Quizzes, & Exams (Second Hour of Lecture)	
17-Jul	Review Session for Exam #2 (15-20 Minutes), and Exam #2	
18-Jul	Questions and Answers (Q & A)	

Note: (\*) Students must read each assigned chapter before the lecture and must participate actively in the classroom discussion.

### Course Requirements

1. Attendance will be taken at the beginning of each class.
2. Students are expected to read the required readings prior to the class session in which they are discussed.
3. Class Conduct: Consistent, respectful and informed participation is expected from every student in the course. This includes:
  - \* Respectful discussion that avoids personal history;
  - \* No email or Internet usage during class;
  - \* Cell phones turned off when class begins.
4. I will respond to emails in a timely manner. It is best to make an appointment or speak to me either before or after lecture.

5. It is your responsibility to keep me updated with attendance, email, etc.
6. Please check your email regularly for instructions and readings.

### Course Materials

- Financial Calculator (Please refer to the “calculators” section below)
- Internet access (use of laptop computers/electronics devices is not permitted during class)
- Notebook and pencil (exams must be completed in pencil)
- Calculators: I will use Texas Instruments BA II Plus as my financial calculator and will be teaching with that. You are welcome to use any financial calculator for the class you would like. However, please note that it is your responsibility to learn how to use that calculator if it is different than the one I use. Also, you are NOT allowed to use any graphics calculators, phones, or calculators with advanced memory for the exams or the quizzes. My advice would be to get a finance calculator which you will use in this class as well as finance classes in the future.

### Grading Policy

Your grade will be based on homeworks, quizzes, exams, and attendance.

Type	Details	Percentage
2 Exams	16% per Exam	32%
16 Quizzes	2% per Quiz	32%
16 Assignments	1% per Assignment	16%
Attendance		20%
Total		100%

### Grading Scale

The instructor will use the grading system as applied by JNU:

Definition	Letter Grade	Score
Excellent	A	90~100
Good	B	80~89
Satisfactory	C	70~79
Poor	D	60~69
Failed	E	Below 60

## **Attendance**

Attendance is mandatory in the class. It would be recorded each class and forms part of students' participation record. Students should inform the instructor at the earliest opportunity if they need to ask for a leave. All absences may have negative effect on students' final grades. Any students with more than three unexcused absences will automatically fail the course.

## **Academic Integrity**

As members of the Jinan University academic community, students are expected to be honest in all of their academic coursework and activities. Academic dishonesty, includes (but is not limited to) cheating on assignments or examinations; plagiarizing, i.e., misrepresenting as one's own work any work done by another; submitting the same paper, or a substantially similar paper, to meet the requirements of more than one course without the approval and consent of the instructors concerned; or sabotaging other students' work within these general definitions. Instructors, however, determine what constitutes academic misconduct in the courses they teach. Students found guilty of academic misconduct in any portion of the academic work face penalties that range from the lowering of their course grade to awarding a grade of E for the entire course.