

# 0201E330

## Money and Banking

**Instructor:** TBA

**Time:** December 16, 2024 - January 17, 2025

**Office Hours:** by appointment

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

**Credits:** 4

**E-mail:** TBA

### Course Description

This course covers monetary policy, banking services and bank regulation, as well as the functionalities of financial markets and institutions. 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, currency exchange 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.

### Prerequisites

0201E102 and 0201E101, or permission of instructor

### 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.

Week	Topics	Exams
I	Why Study Money, Banking, and Financial Markets? (CH 1) An Overview of the Financial System (CH 2) What is Money? (CH 3) The Meaning of Interest Rates (CH 4) The Behavior of Interest Rates (CH 5)	
II	The Risk and Term Structure of Interest Rates (CH 6) The Stock Market and Efficient Market Hypothesis (CH7) An Economic Analysis of Financial Structure (CH 8) Banking and the Management of Financial Institutions (CH 9)	
III	Economic Analysis of Financial Regulation (CH 10) Banking Industry: Structure and Competition (CH 11) Financial Crises (CH12) Central Banks and the Federal Reserve System (CH 13) The Money Supply Process (CH 14)	Midterm Exam in Week 3
IV	Tools of Monetary Policy (CH 15) The Conduct of Monetary Policy: Strategy and Tactics (CH 16) The Foreign Exchange Market (CH 17) The International Financial System (CH18)	

V	Quantity Theory, Inflation, and the Demand for Money (CH 19) The IS Curve (CH 20) The Monetary Policy & Aggregate Demand (CH 21)	Final Exam in Week 5
---	--	----------------------------

### Course Materials

- Internet access (use of laptop computers/electronics devices is not permitted during class)
- Calculators: I will use Excel to teach the computations in the class. The students are expected to have Excel installed in their own computer for assignments and exams.

### Grading Policy

Your semester grade will be based on homework and exams.

Homework:	Five Assignments	$8\% * 5 = 40\%$
Exams:	Two Exams	$30\% * 2 = 60\%$
<b>TOTAL</b>		<b>100%</b>

#### *Homework and Exams:*

There will be five assignments during the semester, one every week. Each assignment counts for 8% of your semester grade. The assignments are due on the Monday of next week. There will be two exams during the semester, each at 30% of the total grade. The exams will be due on the Thursday of the respective week. All submissions are due at 11:59 am Beijing Time. For each calendar day an assignment is delayed, 20% discount would apply to the grade. For the exams, **no late submission** will be accepted.

### Grading Scale

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

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

### **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.