

# Money and Banking

## Fudan University

Department: School of Economics

<b>Course Code</b>	ECON130256		
<b>Course Title</b>	Money and Banking		
<b>Credit</b>	4	<b>Credit Hours</b>	72
<b>Course Nature</b>	<input type="checkbox"/> Specific General Education Courses <input type="checkbox"/> Core Courses <input type="checkbox"/> General Education Elective Courses <input type="checkbox"/> Basic Courses in General Discipline <input type="checkbox"/> Professional Compulsory Courses <input checked="" type="checkbox"/> Professional Advanced Courses <input type="checkbox"/> Others		
<b>Course Objectives</b>	<p>After finish the course, student will be able to: use the: 1) solid foundation in economic theory; and 2) mathematical and quantitative skills; that they have acquired in previous economics coursework to the analysis of the different tasks of central banking.</p> <p>The course will emphasize the pursuit of the following program-level academic and professional (AP) outcomes: AP1) Ability to apply economic concepts to explain real-world phenomena; AP2) Understanding of institutions and policies;</p>		
<b>Course Description</b>	<p>Increasingly, the monetary policy decisions of central banks around the world are seen as crucial for outcomes in global financial markets. In major economies, such as the USA, Japan, the EU, China and others, central banks focus on setting short-term interest rates. Their decisions to adjust interest rates have enormous and closely watched impacts on stock markets, bond markets, and banking markets. The first part of this course will focus on understanding how central banks use their powers, the macroeconomic theory that underlies the decision making of central banks and their effect on the economy and financial markets.</p> <p>Though standard economic theory may imagine financial markets as operating according to rules of competitive supply and demand, in fact, distinct financial intermediaries such as banks are essential for the smooth operation of markets. In the second half of the class, we will focus on the economics and institutions of banking.</p> <p>In both parts of the course, special attention will be paid to the particular</p>		

	institutions and history of Chinese monetary and banking systems.
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**Course Requirements:**

**Prerequisites:**

Intermediate Microeconomics  
Intermediate Macroeconomics

**Teaching Methods:**

Lecture, Presentation

**Instructor's Academic Background:**

陈思好，复旦大学经济学院助理教授。2019 年获得香港科技大学经济学博士。主要研究领域集中于国际宏观经济学和国际金融学。其工作论文多次入选国际顶级经济学/宏观经济学会议包括 **ASSA Meetings, Society of Economic Dynamics (SED) Annual Conference** 等。担任 **Journal of International Economics, Pacific Economic Review** 匿名审稿人。

**Members of Teaching Team**

Name	Gender	Professional Title	Department	Responsibility

**Course Schedule**

**Note: Chapter refers to the ones in the textbook.**

1. Introduction to Money (Chap 3; Chap. 15; Chap 20,)
2. Central Banks Structure (Chap. 14)
3. Interest Rate Channels (Chap. 16; Chap. 26, 672-674)
4. Central Bank Strategy (Chap. 4; Chap. 17; Chap. 16; Chap. 24,)
5. Monetary Policy and Financial Markets (Chap. 4; Chap. 6, ; Chap 7)

6. Exchange Rates (Chap 18 -19)
7. Economics of Financial Intermediation (Chap. 2, Chap. 6, Ch. 8)
8. Business of Banking (Ch. 9)
9. Banking Regulation (Ch. 10)
10. Banking Industry (Ch. 11)
- if time allows
11. Financial Crises & Macroprudential Instruments (Chap. 12-13)
12. Monetary Policy Transmission Mechanism (Chap 22-24; Chap 17)

### **Final Exam**

***Note: I expect you to do the readings in advance of the class for which they are assigned. The format of the class is lectures and extensive discussion.***

#### **The design of class discussion or exercise, practice, experience and so on:**

If you have special needs because of a learning problem or other condition that requires special arrangements for tests or meeting assignments, please let me know as soon as possible.

The student is responsible for their own academic misconducts. Cases of suspected misconduct will be referred to the Dean's Office; in addition, acts of plagiarism or cheating will be penalized with failing grades, or even more seriously, be expelled from school.

I encourage students to attend my tutorial hours to discuss questions either on class material, problems on exams or related subject matter. This class requires a lot of work. Please, speak with me if you are having difficulties meeting the requirements for this course. Together we will work out a solution.

#### **If you need a TA, please indicate the assignment of assistant:**

Yes, a TA is needed and will help the lecturer with the attendency, organization of group discussion.

**Grading & Evaluation:**

Class Performance: 10%

Problem Set: 15%

Midterm Exam/Group Presentation: 25%

Final Exam: 50%

Passing grade: 60, below 60 = fail

**Teaching Materials & References:**

Frederic S. Mishkin *"The Economics of Money, Banking, and Financial Markets."* Eleventh Edition, Pearson. (or higher edition)

Supplementary notes, problems and readings will be posted on the elearning website.