Course Syllabus (The Economics of Money and Banking)

Course Chinese Title:货币银行学	**Course Category（Compulsory/ Elective）：** Elective
Course English Title: The Economics of Money and Banking	
Total Hours/ Hours Per Week/ Credit(s)： 32/2/2	**Lab Practice/ Practical Hours：** None
Prerequisites: Microeconomics, Macroeconomics	
Follow-up course： Investment, Corporate Finance	
Time: Thursday, 8:30-10:10	**Classroom:** R3402, Guancheng Campus
Class： 2021 Economics and Finance (Financial Management Industry-University International Program, FMI)	
College： School of Economics and Management	
Instructor Name/ Academic Title： Chunyang Huang/Lecturer	
Office Hour： 10:30-12:00 Tuesday at Room 2302, Guanchen Campus/ **Online:** WeChat group	
Course Assessment Method： Open book test ( )　Close book test ()　Report (✓)　Other (✓**), see Assessment and Grading table below**	
Required Textbook： None, lecture notes and slides will be delivered before every meeting. **Supplementary Materials：** 　1. Frederic S. Mishkin, (2019). The Economics of Money, Banking, and Financial Markets, 11th edition. China Renmin University Press, ISBN 9787300266909 　2. www.wallstreetcn.com 　3. www.eastmoney.com	
Course Description： The goal of this course is to give you some basic knowledge on the operations of　financial markets and financial institutions, and the tools with which to interpret monetary events. The course is broadly structured into four parts: 1. Monetary theory; key contents include: demand and supply of money, and money and inflation. 2. Financial markets; key contents include: interest rate, term and risk structures of interest rate, stock, bond and financial derivative markets.	

3. Financial Institutions; key contents include: asymmetric information and the functions of financial institutions, banking industry and non-bank financial industry, the economic analysis of financial institutions

4. Central banking and the conduct of monetary policy; key contents include: the money supply process, tools and conduct of monetary policy

Course Learning Objectives and its supporting on the requirement for graduation:

Course Learning Objectives	Measurements on Requirement for Graduation	Requirement for Graduation
CO1: Learn the basic concepts and theories of financial market, interest rate, and financial institutions;	2.2 Familiar with the relevant principles, policies, regulations and international, practices and rules of international market	2. Economics knowledge and skills: students should master the basic knowledge of economics disciplines and be familiar with the relevant policies, regulations and rules of international market, and have the ability to operate the whole process of market practices as well as the ability to engage in international trade, international investment, transnational business and management and economic theory and policy research in multinational corporations and government departments
CO2: Understand the operations of various types of financial markets and financial institutions, as well as the conflicts of interests in the financial industry;	2.4 Students should master the basic process of market operation	2. Economics knowledge and skills: students should master the basic knowledge of economics disciplines and be familiar with the relevant policies, regulations and rules of international

		market, and have the ability to operate the whole process of market practices as well as the ability to engage in international trade, international investment, transnational business and management and economic theory and policy research in multinational corporations and government departments
CO3: Understand the roles of central banks on economic stability and the conduct of monetary policies;	2.1 Students should have basic knowledge of economic management courses in economics, management, international trade and international investment practice.	2. Economics knowledge and skills: students should master the basic knowledge of economics disciplines and be familiar with the relevant policies, regulations and rules of international market, and have the ability to operate the whole process of market practices as well as the ability to engage in international trade, international investment, transnational business and management and economic theory and policy research in multinational corporations and government departments
CO4: Acquire the knowledge of risk management in financial institutions	4.3 Students should be proficient in the use of analytic tools to solve practical problems in the practice of enterprise economic management	4. Data analysis knowledge and ability: skilled use of modern information technology and tool software to collect and process data information in this professional field, skilled use of

| | | | | | | | | computer, mobile terminal and other tools to solve the problems in the practice of this profession. |

<table>
<tr><td colspan="9" style="text-align:center">Lecturing Plan</td></tr>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Instructor</th>
<th>Hours</th>
<th>Contents （Key point、Difficulty、Ethical and political learning）</th>
<th>Instructional Mode （Online/ Blending/ Offline）</th>
<th>Activities</th>
<th>Assignment</th>
<th>Expected Learning Outcomes</th>
</tr>
<tr>
<td>1</td>
<td>Course introduction</td>
<td>Chunyang Huang</td>
<td>2</td>
<td>Introduction to financial markets and institution</td>
<td>Offline</td>
<td>Lecture</td>
<td>Reading and discussion : set 1 of materials distributed in the class</td>
<td>CO1 CO2 CO3 CO4</td>
</tr>
<tr>
<td>2</td>
<td>Financial system</td>
<td>Chunyang Huang</td>
<td>2</td>
<td>Contents: introduction to the financial system
Key points: fund flows in financial system
Difficulties: none</td>
<td>Offline</td>
<td>Lecture</td>
<td>none</td>
<td>CO1 CO2 CO3 CO4</td>
</tr>
<tr>
<td>3</td>
<td>Interest rate</td>
<td>Chunyang Huang</td>
<td>2</td>
<td>Contents: Calculation and application of interest rate
Key points: yield to maturity.
Difficulties:</td>
<td>Offline</td>
<td>Lecture</td>
<td>none</td>
<td>CO1 CO2 CO3 CO4</td>
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				calculation of yield to maturity				
				Ethical and Political Learnings: the concept of interest rate should help students in understanding the power of compounding				
4	Term and risk structures of interest rate, and efficient market hypothesis	Chunyang Huang	2	Contents: term and risk structures of interest rates Key points: the implications of term and risk structures of interest rates Difficulties: the shapes of yield curve **Ethical and Political Learnings:** the risk structure of interest rate should help students in understanding the value of credit	**Offline**	**Lecture**	**Reading and discussion:** set 2 of materials distributed in the class	**CO1 CO2 CO3 CO4**
5	Central banking and the conduct of monetary policy	Chunyang Huang	2	Contents: the conduct of monetary policies Key points: required reserve system Difficulties: the operating of monetary policies	**Offline**	**Lecture**	**None**	**CO1 CO2 CO3 CO4**

6	Money and bond markets	Chunyang Huang	2	Contents: money and bond markets Key points: money and bond market instruments Difficulties: none	**Offline**	**Lecture**	**none**	**CO1** **CO2** **CO3** **CO4**
7	Mortgage markets, foreign exchange markets, and the international financial system	Chunyang Huang	2	Contents: mortgage and foreign exchange markets Key points: international financial system Difficulties: calculation of mortgage payment	**Offline**	**Lecture Q&A**	**None**	**CO1** **CO2** **CO3** **CO4**
8	Theories of financial institutions	Chunyang Huang	2	Contents: financial intermediaries Key points: Asymmetric information Difficulties: moral hazard and adverse selection **Ethical and Political Learnings:** the concept of "asymmetric information" should help students in understanding the	**Offline**	**Lecture**	**None**	**CO1** **CO2** **CO3** **CO4**

				conflicts of interests in financial markets				
9	Banking and the management of financial institutions	Chunyang Huang	2	Contents: management of financial institutions Key points: the balance between risk and profit Difficulties: risk management techniques	**Offline**	**Lecture**	**None**	**CO1** **CO2** **CO3** **CO4**
10	Commercial banking industry	Chunyang Huang	2	Contents: the business of commercial banks Key points: the operation of commercial banks Difficulties: the structure of assets and liabilities of commercial banks	**Offline**	**Lecture**	**None**	**CO1** **CO2** **CO3** **CO4**
11	Banking regulation	Chunyang Huang	2	Contents: financial regulation Key points: the "public goods" nature of commercial banking business Difficulties: the moral hazard and adverse selection problem	**Offline**	**Lecture**	**none**	**CO1** **CO2** **CO3** **CO4**

12	Mutual fund industry	Chunyang Huang	2	Contents: the operation of mutual fund industry Key points: the conflict of interest in mutual fund industry Difficulties: agency problem	**Offline**	**Lecture**	**Reading and discussion:** set 3 of materials distributed in the class	**CO1** **CO2** **CO3** **CO4**
13	Insurance companies and pension funds	Chunyang Huang	2	Contents: the operation of insurance business Key points: the principles of insurance Difficulties: adverse selection and moral hazard problems	**Offline**	**Lecture**	**None**	**CO1** **CO2** **CO3** **CO4**
14	Investment banks, security firms, and venture capital	Chunyang Huang	2	Contents: Investment banking, security brokerage, and venture capital Key points: the role of financial intermediaries Difficulties: none	**Offline**	**Lecture**	**None**	**CO1** **CO2** **CO3** **CO4**
15	Risk management in financial institutions	Chunyang Huang	2	Contents: risk management Key points: techniques available for risk management in financial	**Offline**	**Lecture**	**none**	**CO1** **CO2** **CO3** **CO4**

				Contents: group presentation for the final project.				
		institutions Difficulties: applications of risk management techniques						
16	Presentation	Chunyang Huang	2	Contents: group presentation for the final project. Key points: team-working spirits Difficulties: none **Ethical and Political Learnings:** students should be able to learn the essentials of working in a term.	**Offline**	**Lecture** **Q&A**	**None**	**CO1** **CO2** **CO3** **CO4**
Total：			32					

Grading						
Course Learning Objectives	**Supported Measurements**	**Assessments and grading Percentage (%)**				**Supporting Course Objectives**
		Homework	**Discussion**	**Literature Report**	**Final Paper**	
CO1	2.2	5	5	0	20	30
CO2	2.4	5	5	0	20	30
CO3	2.1	5	5	0	10	20
CO4	4.3	5	5		10	20
Total		20	20	0	60	100
Note: (1) According to examination regulations of DGUT, students who have missed 3 classes (or 6 hours) are not allowed to take the final						

examination of the course. (2) Grading criteria & rubrics are shown in the Appendix

Syllabus Submission Date: 2023.8.26
School Reviewal：Agree   Signature：陈海东 Date：2023.8.28

Note:

Appendix: Rubrics

Reading and Discussion

Measurement	Criteria			
	A (100)	B (85)	C (70)	D (0)
Relevance (CO1, CO2, CO3, 60%)	The discussion shows the student has read and understood the distributed materials; Questions and answers are creative and relevant to the course knowledge	The discussion shows the student has read and understood the distributed materials; Questions and answers are and relevant to the course knowledge	The discussion shows the student has read and understood the distributed materials	The discussion shows the student has not read the distributed materials
Participation (CO1, 40%)	Participate in every discussion sessions; have own opinion	Participate in every discussion sessions	Participate in 80% of the discussion session	absent from every discussion session

Final Term Paper

Measurement	Criteria			
	A (100)	B (85)	C (70)	D (0)
Logic consistency (CO2, 30%)	The data, analytic methodologies, and the conclusion tell a coherent and consistent story; the	The data, analytic methodologies, and the conclusion tell a coherent and consistent story	The data, analytic methodologies, and the conclusion tell a coherent and story	The data, analytic methodologies, and the conclusion are in conflicts with each others

	assumptions are reasonably explained			
Data collection (CO3, 20%)	The data are collected from authoritative and reliable source; data collected are relevant and sufficient to the topic	The data are collected from reliable source; data collected are relevant to the topic	data collected are relevant to the topic	Data are not relative to the topic
Analysis skills (CO2,30%)	The learned methodologies and quantitative models from the course are applied correctly; the calculation is correct; the analytic process is demonstrated clearly	The learned methodologies and quantitative models from the course are applied correctly; the calculation is correct;	The learned methodologies and quantitative models from the course are applied approximately correctly	The wrong methodologies and quantitative models from the course are applied
Wording (CO1, 20%)	The structure of the paper is completed and clear; there are less than 3 inappropriate words in the paper	The structure of the paper is completed and clear; there are less than 5 inappropriate words in the paper	The structure of the paper is completed; there are less than 10 inappropriate words in the paper	The structure of the paper is uncompleted and unclear