

DONGGUAN UNIVERSITY OF TECHNOLOGY

School of Economics and Management

Course Syllabus

2020 Spring

Course Information

Course Code	0810123
Course Title	Money and Banking
Instructor	Huang Chunyang
Class	2018 International Economics and Trade (International Business Industry-University International Program)
Course Category	<input checked="" type="checkbox"/> Compulsory <input type="checkbox"/> Elective
Credit(s)	2
Total Hours	32
Hours Per Week	2 hours, 16weeks
Practical Hours	0
Lab Practice Hours	0
Classroom	R3203, GuanCheng Campus;
Time	Tuesday, 10:25-12:00
Office Hour	Tuesday 14:30-16:00 at 3207 Guancheng Campus; by appointment
Required Textbook	
Supplementary Materials	1. Frederec S. Mishkin, The Economics of Money, Banking and Financial Markets Economics, 2 nd edition, Pearson, 2010, ISBN: 9787300266909 2. Other materials distributed in the classes

Prerequisites	1. Economics (macro- and micro-) 2. Basic probability and statistics
Course website	

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
5. International finance; key contents include: foreign exchange market, international financial system

Course Learning Objectives (LOs)

After this course, you should be able to:

LO1: Understand the key concepts and principles in money and banking, such as interest rate, asymmetric information and conflicts of interest in financial markets and institutions, the demand and supply of money, monetary policies, the interest parity, the economic analysis of financial regulation, etc.

LO2: Explain the real-world monetary events with knowledge from this course.

LO3: Apply the learned knowledge to your daily financial decisions.

Assessment and Grading

Your performance in the course will be evaluated based on three parts: attendance (20%), group presentation (30%), and final paper (50%). The detailed grading is as following:

	Standard	Notes
Attendance, 40%	If you are late or leave early, your grade will be taken one point each time. If you are absent for one class, the taken point will be 2 for each absentee. Give questions is a good way to get points in attendance.	If you are taken more than 10 points away, I will reserve your right to participate the final exam.
Group presentation 30%	You are required to work in groups (with not more than 4 members in a team) to present a topic relevant to the course material	The scores from the presentation will be based on how well the course materials have been incorporate into the presentation.
Final exam, 30%	Questions for final exam will cover the core concepts, methodologies, techniques, and applications from the course.	The final exam will be an open-book exam

Policies:

➤ Attendance Policy

Students missing three classes without permission cannot get any credit from this course.

➤ Participation Policy

Participation in class discussion is strongly recommended, and will be awarded with extra point in final grading.

➤ **Policy on Assignments and Quizzes**

All assignments and exam should be completed by yourself. Late assignments will be accepted without penalty only in cases of legitimate absences and only if the student has contacted the lecturer in advance. If you miss a class, you must get previous class material from one of your student contacts. See the rubrics of assessment event for the detailed of evaluation.

Before/After Class - Students should expect to spend an adequate amount of time on reviewing the textbook, course handouts and finalizing the group homework before the due day. To keep up with the flow of the course, students are strongly recommended to complete the relevant reading materials and to have the coming individual/group presentations/activities conscientiously prepared before the class.

➤ **Plagiarism**

If it is caught that you take another person's work, ideas, or words, and using them as if they were your own, then the corresponding assignment will be scored zero. You can use others' work in a proper way of referencing.

➤ **Classroom Policies**

- English - You are highly encouraged to speak English in the class and actively exchange your ideas, opinions and critical thinking with others. Make sure to speak English even during small-group or paired activities.
- Late coming student should provide a reasonable excuse based on asymmetric information theory and share it in class. If there is no excuse, treat as absent.
- If there is a question, stop the instructor any time, and ask for an answer. Your question is others' question with a very high probability.
- Please be considerate of your fellow students during class presentations. Talking during the presentation will result in a 1% deduction from your final grade.

Session Plan:

Week/Date	Topic/Focus and Difficulty/Ethical and Political Learnings (choose at least 3 weeks to perform the practice or implication of ethical and political insights from this course)	Activities	LO
1/ Mar. 3	Topic: Why study money and banking? Focus: functions of money Difficulties: the comparative approach to measuring money	Online/off-line Lecture and discussion (will be informed in advance)	1
2/ Mar. 10	Topic: The demand for money Focus: quantity theory and liquidity preference theory Difficulties: speculative motive	Online/off-line Lecture and discussion (will be informed in advance)	1, 2
3/ Mar. 17	Topic: aggregate demand and supply analysis Focus: market equilibrium Difficulties: re-balancing process	Online/off-line Lecture and discussion (will be informed in advance)	1, 2
4/ Mar. 24	Topic: Interest rate Focus: measuring interest rate Difficulties: negative interest rate	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
5/ Mar. 31	Topic: the behavior of interest rate	Online/off-line Lecture and discussion (will be	

	<p>Focus: determination of interest rate</p> <p>Difficulties: theory of asset demand</p>	informed in advance)	
6/ Apr. 7	<p>Topic: risk and term structures of interest rates</p> <p>Focus: term and risk structures of interest rates</p> <p>Difficulties: using yield curve to forecast inflation and business cycle</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
7/ Apr. 14	<p>Topic: stock and bond markets</p> <p>Focus: efficient market hypothesis</p> <p>Difficulties: the paradox of efficient market hypothesis</p> <p>Ethical and Political Learning: discussion the theory of self-fulfilling expectation should help students in understanding that positiveness is the most important thing in a society</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
8/ Apr. 21	<p>Topic: conflicts of interests in the financial industry</p> <p>Focus: asymmetric information in financial markets and institutions</p> <p>Difficulties: financial signaling</p> <p>Ethical and Political Learning:</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3

	discussion of asymmetric information in financial market should help students in understanding the meaning of “fairness” in the society		
9/ Apr. 28	Topic: banking management Focus: the operation of commercial banks Difficulties: bank run	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
10/ May 5	Topic: Financial regulation Focus: moral hazard and adverse selection in financial institutions Difficulties: financial market failure Ethical and Political Learning: discussion of financial regulation should help students in understanding the alignment between the collective interest and an individual interests	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
11/ May 12	Topic: Central banking Focus: the goals of monetary policies Difficulties: the conflicts among goals	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
12/ May 19	Topic: The money supply process Focus: monetary base Difficulties: multiple deposit	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3

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13/ May 26	Topic: Tools of monetary policy Focus: various tools of monetary policy Difficulties: the signaling effects of monetary policy	Online/off-line Lecture and discussion (will be informed in advance)	
14/ Jun. 2	Topic: The foreign exchange market Focus: exchange rate Difficulties: the interest rate parity	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
15/ Jun. 9	Topic: International financial system Focus: intervention and coordination Difficulties: the effect of de-globalization trend	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
16/ Jun. 16	Course review	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
Total	32hours		
Date: 2020.2.12			
Reviewed by Chih-Yuan Hung			
Signature <i>Chih-Yuan Hung</i>			
Director of			
Department of International Business and Management			