

DONGGUAN UNIVERSITY OF TECHNOLOGY
School of Economics and Management
Course Syllabus
2019 Autumn

Course Information

Course Code	0810123
Course Title	Economics of Money and Finance
Instructor	Danni Zhou
Class	2018 Economics and Finance (Financial Management 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	6305 Guancheng Campus
Time	Wednesday(week 1-week 16) , 10:10-12:00;
Office Hour	Monday-Friday 8:30-12:00, 14:30-17:00; at 3207, By Appt.
Required Textbook	Frederic S. Mishki. The Economics of Money, Banking and Financial Markets(9th Edition). Beijing: China Renmin UP 2017
Supplementary Materials	Zvi Bodie, Robert C. Merton & David L. Cleeton. Financial Economics (2 th Edition), China Renmin UP 2011
Prerequisites	Macroeconomics

Course Description

Ultimately, this course is designed to help you know how financial markets and financial institutions work and exploring the role of money in the economy. This course stresses the economic way of thinking by developing a unifying analytic framework for the study of money, banking and financial markets using a few basic economic principles. This course also emphasizes the interaction of theoretical analysis and empirical data.

Course Learning Objectives (LOs)

- ◆ Learn basic theory of financial markets, financial institutions management and the monetary policy.
- ◆ Develop the student's interest in applying the theories to analysis the financial phenomena in economy.
- ◆ Learn the progress in the field of western monetary banking with an open mind. Apply the theory of Money, Banking and Financial Markets with Chinese circumstances and the development of the Chinese financial markets.

Assessment and Grading

Assignments	Percent of Final Grade
Attendance	10%
Participation	10%
Home Work	10%
Final Exam	70%
Total	100%

	Standard	Notes	LO1	LO2	LO3
Attendance, 10%	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.	If you are taken more than 10 points away, I will reserve your right to participate final exam.	✓	✓	✓
Participation 10%	Answer questions is a good way to get points in participation. Each time will worth 5 points.	Maximum for this part is 10 points.		✓	✓
Home Work 10%	The home works is 100 points each time. At the end of this term, the points will be taken as average point. And this average point will be weighted to be 10% in your grade.	Homework should hand in before the require time.		✓	
Final term paper, 70%	Questions for 100 points on the test paper and will be weighted to be 70% in your grade.	Closed book exam.		✓	✓

Policies:

Students should expect to spend several hours per week on this course. To succeed, you must complete course work, read each chapter, engage in class discussion and lecture, carefully read each chapter and outline the chapters and summarize the main knowledge in the book as assigned. This will require a time commitment from you, one that may exceed 15 hours of work per week in addition to studying for exams. At a minimum, students should read the textbook, attend class lectures, complete the assigned homework, complete all exams, and ask questions.

➤ **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.

➤ **Attendance & Participation** - Attendance is expected and active participation is strongly encouraged, which is graded. Please arrive to class in time. Late arrivals or even on time arrivals are highly discouraged due to the interactive nature of the class (get everything ready before class, clam and learn step by step).

➤ **Reading Assignments** –You will be requiring reading and learning the supplementary materials by yourselves or by group. Timely and analytical reading of these materials will play an important role in your overall course performance. Please complete the readings listed for the week prior to attending that week's class session.

➤ **Lecture** - Roughly most of our class will be devoted to “taught” lectures (i.e., lectures will be taken by lecturer, sometimes might be ask you to come front and share your point of view about the course). To perform well, it is in a student's best interests to both read the required text AND regularly and attend class.

Lecture Schedule

Week/Date	Topic	Required Reading and Assignments
1/Sep.4	<i>Topic:</i> Introduction <i>Difficulties:</i> Why Study Money and Monetary Policy? Money and Business Cycles	Chapter 1, P3-19 Chapter 3,P49-61
2/Sep. 11	<i>Topic:</i> WHAT IS MONEY? <i>Difficulties:</i> Functions of Money,	Chapter 24, P44-56

	Evolution of the Payments System	
3/Sep. 18	<p><i>Topic:</i> The Money Supply Process</p> <p><i>Difficulties:</i> Four Players in the Money Supply Process, The Money Supply Model and the Money Multiplier .</p>	Chapter 14, P316-340
4/Sep.25 (two hours)	<p><i>Topic:</i> Tools of Monetary Policy.</p> <p><i>Difficulties:</i> The Market for Reserves and the Federal Funds Rate</p>	Chapter 15, P342-360
5/Oct. 2 (two hours)	Holiday	
6/Oct. 9	<p><i>Topic:</i> The Conduct of Monetary Policy: Strategy and Tactics</p> <p><i>Difficulties:</i> Goals of Monetary Policy</p>	Chapter 16, P362-393
7/ Oct.16	Sports Day	
8/ Oct. 23	<p><i>Topic:</i> The Demand for Money</p> <p><i>Difficulties:</i> Quantity Theory of Money</p>	Chapter 19, P457-474
9/ Oct. 30	<p><i>Topic:</i> Monetary and Fiscal Policy in the ISLM model.</p> <p><i>Difficulties:</i> Factors That Cause the IS Curve to Shift, Factors That Cause the LM Curve to Shift, Effectiveness of Monetary Versus Fiscal Policy</p>	Chapter24, 561-580
10/ Nov. 6	<p><i>Topic:</i> Understanding Interest Rates</p> <p><i>Difficulties:</i> Present Value, Current Yield, The Distinction Between Interest Rates and Returns</p>	Chapter 4, P65-83
11/ Nov.13	<p><i>Topic:</i> The Behavior of Interest Rates</p> <p><i>Difficulties:</i> supply and Demand in the Market for Money: The Liquidity, Changes in Equilibrium</p>	Chapter 5, P85-113

	Interest Rates.	
12/ Nov. 20	<i>Topic:</i> The Risks and Term Structures of Interest Rates <i>Difficulties:</i> Risk Structure of Interest Rates, Yield Curves	Chapter 6, 114-134
13/ Nov. 27	<i>Topic:</i> Banking Industry: Structures and Competition <i>Difficulties:</i> Historical Development of the Banking System	Chapter 12, P257-285
14/ Dec. 4	<i>Topic:</i> Central Banking: A Global Perspective <i>Difficulties:</i> Explaining Central Bank Behavior.	Chapter 13, P289-314
15/ Dec.11	<i>Topic:</i> Money and Inflation <i>Difficulties:</i> Meaning of Inflation, Views of Inflation.	Chapter 24, P566-589
16/ Dec. 18	Review.	All the above.
Total	32 hours	

Date: 2019/09/10

Reviewed by

Chih-Yuan Hung

Signature



Director of

Department of International Business and Management