

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: Weeks 1-16, Thursday, 8:30-10:10	Classroom: Intelligent Classroom A, Guancheng Campus
Class: 2022 International Economics and Trade (International Business Industry-University International Program)	
College: School of Economics and Management	
Instructor Name/ Academic Title: Chunyang Huang/Lecturer	
Office Hour: 8:30-10:10 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: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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. 	

<p>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</p> <p>4. Central banking and the conduct of monetary policy; key contents include: the money supply process, tools and conduct of monetary policy</p>		
Course Learning Objectives and its supporting on the requirement for graduation:		
Course Learning Objectives	Measurements on Requirement for Graduation	Requirement for Graduation
<p>CO1:</p> <p>Learn the basic concepts and theories of financial market, interest rate, and financial institutions;</p>	<p>2.2 Familiar with the relevant principles, policies, regulations and international, practices and rules of international market</p>	<p>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</p>
<p>CO2:</p> <p>Understand the operations of various types of financial markets and financial institutions, as well as the conflicts of interests in the financial industry;</p>	<p>2.4 Students should master the basic process of market operation</p>	<p>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</p>

								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
								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
Lecturing Plan								
Week	Topic	Instructor	Hours	Contents (Key point、Difficulty、Ethical and political	Instructional Mode (Online/	Activities	Assignment	Expected Learning Outcomes

				learning)	Blending/ Offline)			
1	Course introduction	Chunyang Huang	2	Introduction to financial markets and institution	Offline	Lecture	Reading and discussion : set 1 of materials distributed in the class	CO1 CO2 CO3
2	Financial system	Chunyang Huang	2	Contents: introduction to the financial system Key points: fund flows in financial system Difficulties: none	Offline	Lecture	none	CO1 CO2 CO3
3	Interest rate	Chunyang Huang	2	Contents: Calculation and application of interest rate Key points: yield to maturity. Difficulties: calculation of yield to maturity Ethical and Political Learnings: the concept of interest rate should help students in understanding the power of compounding	Offline	Lecture	none	CO1 CO2 CO3

4	Term and risk structures of interest rate, and efficient market hypothesis	Chunyang Huang	2	<p>Contents: term and risk structures of interest rates</p> <p>Key points: the implications of term and risk structures of interest rates</p> <p>Difficulties: the shapes of yield curve</p> <p>Ethical and Political Learnings: the risk structure of interest rate should help students in understanding the value of credit</p>	Offline	Lecture	<p>Reading and discussion: set 2 of materials distributed in the class</p>	CO1 CO2 CO3
5	Central banking and the conduct of monetary policy	Chunyang Huang	2	<p>Contents: the conduct of monetary policies</p> <p>Key points: required reserve system</p> <p>Difficulties: the operating of monetary policies</p>	Offline	Lecture	None	CO1 CO2 CO3
6	Money and bond markets	Chunyang Huang	2	<p>Contents: money and bond markets</p> <p>Key points: money and bond market instruments</p> <p>Difficulties: none</p>	Offline	Lecture	none	CO1 CO2 CO3
7	Mortgage markets,	Chunyang Huang	2	Contents: mortgage and foreign exchange markets	Offline	Lecture	None	CO1 CO2

	foreign exchange markets, and the international financial system			Key points: international financial system Difficulties: calculation of mortgage payment		Q&A		CO3
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 conflicts of interests in financial markets	Offline	Lecture	None	CO1 CO2 CO3
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	Offline	Lecture	None	CO1 CO2 CO3

				techniques				
10	Commercial banking industry	Chunyang Huang	2	<p>Contents: the business of commercial banks</p> <p>Key points: the operation of commercial banks</p> <p>Difficulties: the structure of assets and liabilities of commercial banks</p>	Offline	Lecture	None	CO1 CO2 CO3
11	Banking regulation	Chunyang Huang	2	<p>Contents: financial regulation</p> <p>Key points: the “public goods” nature of commercial banking business</p> <p>Difficulties: the moral hazard and adverse selection problem</p>	Offline	Lecture	none	CO1 CO2 CO3
12	Mutual fund industry	Chunyang Huang	2	<p>Contents: the operation of mutual fund industry</p> <p>Key points: the conflict of interest in mutual fund industry</p> <p>Difficulties: agency problem</p>	Offline	Lecture	Reading and discussion: set 3 of materials distributed in the class	CO1 CO2 CO3
13	Insurance companies and	Chunyang Huang	2	<p>Contents: the operation of insurance business</p>	Offline	Lecture	None	CO1 CO2

	pension funds			Key points: the principles of insurance Difficulties: adverse selection and moral hazard problems				C03
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	C01 C02 C03
15	Risk management in financial institutions	Chunyang Huang	2	Contents: risk management Key points: techniques available for risk management in financial institutions Difficulties: applications of risk management techniques	Offline	Lecture	none	C01 C02 C03
16	Presentation	Chunyang Huang	2	Contents: group presentation for the final project. Key points: team-working spirits Difficulties: none	Offline	Lecture Q&A	None	C01 C02 C03

				Ethical and Political Learnings: students should be able to learn the essentials of working in a term.				
Total:			32					

Grading						
Course Learning Objectives	Supported Measurements	Assessments and grading Percentage (%)				Supporting Course Objectives
		Homework	Discussion	Literature Report	Final Exam	
CO1	2.2	0	0	0	40	40
CO2	2.4	0	30	0	0	30
CO3	2.1	0	0	30	0	30
Total		0	30	30	40	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: 2024.03.02

School Reviewal: Agree

Signature: 范鹏
Date: 2024.3.2

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	The data, analytic methodologies, and the	The data, analytic methodologies, and the	The data, analytic methodologies, and the	The data, analytic methodologies, and the

(CO2, 30%)	conclusion tell a coherent and consistent story; the assumptions are reasonably explained	conclusion tell a coherent and consistent story	conclusion tell a coherent and story	conclusion are in conflicts with each others
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