



National Taiwan University of Science and Technology

2018 Summer Program

ECON 302 Money, Banking and Financial Market

Course Outline

Course Code: ECON 302

Instructor:TBA

Home Institution:TBA

Email: TBA

Credit: 4

Class Hours:

According to the regulations of Minister of Education, R.O.C, 18 class hours could be counted as 1 academic credit in all universities in Taiwan. This course will have 72 class hours, including 40 lecture hours, professor 10 office hours, 10-hour TA discussion sessions, 2-hour review sessions, 10-hour extra classes.

Course Description:

This is a course on money and basics of financial intermediation. We will study the role of money and financial markets in modern market-oriented economies. We will examine the unique roles played by banks and other financial intermediaries as well as the role of organized markets for financial assets, such as the stock and bond markets. We will examine the role of the central bank or monetary authority both as a regulator and as the ultimate controller of a nation's money supply. We will consider the potential role that monetary policy plays in economic stability and the interaction it has with exchange rate policy. A familiarity with calculus and basic statistics is an advantage in this class, but is not a hard prerequisite. Students should be familiar and comfortable with algebra.



Course Learning Objectives:

- By the end of this course you should be able to:
- Understand Financial Instruments, Financial Markets, and Financial Institutions.
- Understand and Calculate Future Value, Present Value, and Interest Rates.
- Understand the Structure of Central Banks: The Federal Reserve and others.
- Explain Monetary Policy and understand the Role of FRB in Financial Stability.
- Describe Exchange-Rate Policy and the Central Bank.
- Describe Financial System Regulations.
- Discuss Modern Monetary Economics.

Required Texts:

Mishikin, F., *Economics of Money, Banking, and Financial Markets*, 10th Ed., Prentice Hall.

Grading Policy:

Mid-term exam	30%
Final exam	40%
Homework	20%
<u>Attendance</u>	<u>10%</u>
Total	100%

Grading Scale:

100%-90%=A;

89%-80%=B;

79%-70%=C;



69%-60%=D;

59%-0%=F

Attendance:

Attendance is integral to learning and achieving the course goals. Students are expected to be present at every course, and any more than one absence will result in a reduction of the student's final participation grade. Any student who misses more than four classes will be subject to failure.

Course Schedule:

Week 1

Monday: Ch 1 Why Study Money, Banking, and Financial Markets?

Review of Basic Math Concepts Used in the Course.

Tuesday: Ch 2 An Overview of Financial System

Ch 3 What is Money?

Wednesday: Ch 4 The Meaning of Interest Rates

Ch 5 The Behavior of Interest Rates

Thursday: Ch 6 The Risk and Term Structure of Interest Rates

Friday: TA discussion session

Week 2

Monday: Ch7 The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis

Tuesday: Ch 8 An Economic Analysis of Financial Structure

Wednesday: Ch 9 Banking and the Management of Financial Institutions

Thursday: Ch 10 Economic Analysis of Financial Regulation

Ch 11 Banking Industry, Structure, and Competition

Friday: TA discussion session



Week 3

Monday: Ch 12 Financial Crisis

Tuesday: Ch 13 Central Banks and the Federal Reserve System

Wednesday: Ch 14 The Money Supply Process

Thursday: Ch 15 The Tools of Monetary Policy

Friday: Mid-term exam

Week 4

Monday: Ch 16 The Conduct of Monetary Policy: Strategy and Tactics

Tuesday: Ch 17 The Foreign Exchange Market

Wednesday: Ch 18 The International Financial System

Thursday: Ch 19 Quantity Theory, Inflation, and the Demand of Money

Friday: TA discussion session

Week 5

Monday: Ch 20 The IS Curve

Tuesday: Ch 21 The Monetary Policy and Aggregate Demand Curve

Wednesday: Ch 22 Aggregate Demand Supply Analysis

Thursday: Review session

Friday: Final Exam