

## COURSE CONTENT

<b>Course Coordinator</b>	Joseph Dennis Alba
<b>Course Code</b>	HE3010
<b>Course Title</b>	MONEY AND BANKING
<b>Pre-requisites</b>	HE2002 Macroeconomics II
<b>No of AUs</b>	3
<b>Contact Hours</b>	39 hours (3 hours per week)

### Course Aims

This course will equip you with the theoretical tools using **economic principles** and **economic models**. It will build on the concepts from principles of macroeconomics and microeconomics to develop the **economic models** to be used to analyze the structure of financial markets, financial institution management and the role of monetary policy in the economy. The course will cover the functions of money, the meaning, behavior, level and term structure of interest rates, the economic analysis of financial structure and asymmetric information, banking and financial institutions, bank management and regulation, debates on macroeconomic and monetary policies.

### Intended Learning Outcomes (ILO)

By the end of this course, the students would be able to:

1. Have a good overview of the financial system and the definition of money;
2. Have a good understanding of financial markets particularly on the meaning, behavior, risk and term structure of interest rates;
3. To apply economic concepts to analyze the financial structure, and banking and management of financial institutions;
4. Explain using the economic concepts in 3, how financial crises could arise;
5. Better understand the roles of the central bank in the money supply processes;
6. Use a model with the aggregate demand curve derived from the IS-MP curves and aggregate supply curve derived from the Phillips curve to analyze monetary policies, business cycles and inflation; and
7. Learn to work, manage time and negotiate content or solutions within a team.

### Course Content

1. Overview of financial system
2. Meaning, functions and measures of money
3. Meaning, behavior, level and term structures of interest rates
4. Economic Analysis of financial structure
5. Banking and Management of Financial Instons
6. Dynamics of financial crisis in advanced economies and emerging market economies
7. Central bank and the money supply process
8. Quantity theory, inflation and demand for money
9. The goods market represented by the investment-saving (IS) curve
10. Monetary policy (MP) and aggregate demand curves
11. Aggregate demand and aggregate supply analysis
12. Monetary policy theory

**Assessment (includes both continuous and summative assessment)**

1. Continuous Assessments	:	45%
2. Final Exam	:	55%
<b>Total</b>	:	<b>100%</b>

**Reading and References**

Mishkin, Frederic S (M), **The Economics of Money, Banking and Financial Markets**, Global Edition, 13<sup>th</sup> Edition, Pearson.

**Course Instructors**

Instructor	Office Location	Email
Joseph Dennis Alba	HSS-04-80	ajolba@ntu.edu.sg

**Planned Weekly Schedule**

Week	Topic	Course LO	Readings/ Activities
1	<ul style="list-style-type: none"> <li>An Overview of the Financial System</li> <li>Role and Functions of Money</li> </ul>	1	M, Ch 2 M, Ch 3
2	<ul style="list-style-type: none"> <li>The Meaning of Interest Rates</li> </ul>	2	M, Ch 4
3	<ul style="list-style-type: none"> <li>Behavior of Interest Rates</li> </ul>	2	M, Ch 5
4	<ul style="list-style-type: none"> <li>Level and Term Structure of Interest Rates</li> </ul>	2	M, Ch 6
5	<ul style="list-style-type: none"> <li>The Economic Analysis of Financial Structure</li> </ul>	3	M, Ch 8
6	<ul style="list-style-type: none"> <li>Banking and Management of Financial Institution</li> </ul>	3	M, Ch 9
7	<ul style="list-style-type: none"> <li>Financial crisis in advanced economies               <ul style="list-style-type: none"> <li>Dynamics of financial crisis</li> <li>US financial crisis and the Fed</li> </ul> </li> <li>Financial crisis in emerging market economies</li> <li>Financial Crisis and the Fed by Professor Mishkin</li> </ul>	3,4	M, Ch 12, Ch 13
	Term Break		
8	Money Supply Process	5	M, Ch 15
9	Quantity Theory, Inflation and Demand for Money	6	M, Ch 20
9-10	IS curve	6	M, Ch 21
10 –11	The Monetary Policy and Aggregate Demand Curves	6	M, Ch 22
11-12	Aggregate Demand and Aggregate Supply	6	M, Ch 23
13	Monetary Policy Theory	1-6	M, Ch 24
	Review		