



上海立信会计金融学院
SHANGHAI LIXIN UNIVERSITY OF ACCOUNTING AND FINANCE

Shanghai Lixin University of Accounting and Finance

Summer 2018

ECON 330 Money and Banking

Term: July 02nd – Aug 04th, 2018

Instructor: Yan Xin

Home Institution: Emory University

Email: xin.yan@emory.edu

Office Hour: By appointment

Teaching Assistant: TBA

Credit: 4

Required Text

Textbook: *Money, Banking and Financial Markets*, 3rd Edition Stephen G. Cecchetti, and Kermit L. Schoenholtz, by McGraw-hill.

Pre-Requisite

Principles of Microeconomics, Principles of Macroeconomics, or Introduction to Business

Description

Money and Banking introduced students to financial world and provide basic guidelines for applying economic theory to financial decisions that are made nearly every day. It will further enhance students' ability to put theory into practice. The roles of money, financial intermediaries, financial markets, and central banks are discussed in the context of global economy.

Course Outcomes

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 the European Central Bank



- 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
- Understand the process of multiple deposit expansion, the deposit multiplier, and the money multipliers

Discussion questions in Assignments and Tests.

- When responding to the Discussion Questions, students should post complete, well thought-out responses
- Students should proofread responses for spelling and grammar submission.

Grading

Your final grade in this class will be determined by your performance on:

Component	Points	%
1. Tests/Midterm-Exams	300	30%
2. Final Project (1)	200	20%
3. Project Presentation & Class Participation	100	10%
4. Final Exam	400	40%
Total	1000	100%

Format/Structure

Classroom activity will consist of lectures, class discussions and in-class exercises, case studies, exercises. Lectures will refer to, but not review, all material in the textbook. You will be expected to come to class having read all assigned readings (chapters, cases, articles) and ready to share and discuss. Discussions will focus on the application of concepts rather than mere reviewing.

The class will meet daily at the assigned time and location. Students will be assigned a group. These groups are formed to complete various course requirements & exercises. Groups will not be modified once they are assigned.

Attendance is expected for all lectures and in class activities. Random attendance will be taken.

1. Tests/midterm:

300 points (~30% of total grade) 2 multiple choice exams will be given. Each Exam will contain Multiple Choice, True-Falls and Essay/Paragraph questions. There is no preview of the exam and the exams are comprehensive to the first day of class.

2. Group Project:



200 points (~20% of total grade). A Group Project will be assigned to each group. Details about the Content and format requirements will be discussed during first week.

3. Project presentation:

100 points (~10% of total grade) There will be a group Power point presentation of the final product project presentation. Each student is expected to participate in the presentation. Details will be provided during week 3 Attendance

4. Final Exam:

400 points (~40% of total grade). There will be a final exam at the end of this course. Details will be provided during week 3 Attendance.

Extra Credit

Extra credit is normally not available. However if opportunities come available, all students will have the same access to the extra credit if so desired.

Missing or Late Assignments

Late assignments will NOT be accepted. There is NO makeup work allowed for missed assignments.

FINAL grade scale

A 90-100

B 80-89.9999

C 70-79.9999

D 60-69.9999

F <59.9999

There is no final curve in this class

Academic Honesty

I diligently pursue all cases of academic dishonesty. Please see the student conduct code if you do not understand this issue. Academic dishonesty includes representing the work of another as one's own work or cheating by any means. Academic dishonesty also includes aiding, abetting, concealing or attempting such activity. The usual penalty is an F in the course and possible suspension from the University.



Schedule

Week-1 (Jul 2- Jul 7)

I. Overview of Money and the Financial System

- A. Money and the payment system
- B. Structure of financial system
- C. Financial intermediaries and instruments

II. The Interest Rates and Rates

- of Return A. Measuring interest rates
- B. Bond yields and prices
- C. Real versus nominal interest rates

Week 2 (Jul 9-Jul 13)

III. Portfolio Management

- A. Determinants of asset demand
 - B. Diversification and systematic risk
- #### IV. The Risk and Term Structure of Interest Rates
- A. Determining market interest rates
 - B. Risk structure of interest rates
 - C. Term structure of interest rates

Week 3 (Jul 16- Jul 20)

V. Financial Structure and Institutions

- A. Information and financial market efficiency
- B. Transactions and information costs
- C. Choosing financial contracts
- D. Survey of financial institutions

VI. Banking Industry and Banking Management

- A. Banking system and regulation
- B. Banking in the international economy
- C. Bank operation and management

Week 4 (Jul 23-Jul 27)

VII. Financial Risk Management

- A. Credit risk management
- B. Interest rate risk management
- C. Foreign exchange risk management

VIII. The Demand for Money: Theory and

- Evidence A. Quantity theory of money B. Liquidity preference theory
- C. Modern theory of money

Week 5 (Jul 30-Aug 4)

IX. The Money Supply Process and Monetary Base

- A. Multiple deposit creation and money multiplier
- B. Movements in the monetary base

X. The Tools and the Conduct of Monetary Policy



- A. Opening market operations
- B. Discount window and reserve requirements
- C. Policy goals and choosing monetary targets

Resources and Tools for Group Project

1.

Research Center---Yahoo

URL:<http://biz.yahoo.com/r/>

2.

Office of Advocacy---U.S. Small Business Administration

URL:<http://www.sba.gov/advo/research/banking.html>

3.

[Banking](#) | [Articles](#) By [Subject](#) | [Economist.com](#)

URL:<http://www.economist.com/research/articlesBySubject/display.cfm?id=348885>

Professional Associations

International Banking, Economics and Finance Association

([IBEFA](#)) American Bankers Association ([ABA](#)) Commercial

Finance Association ([CFA](#)) Credit Union National Association

([CUNA](#))