



蘇州大學
Soochow University

ECO 350 Monetary Economics

Fall 2023

Course Credits: 4

Contact Hours: 56 hours

Instructor: TBA

Email: TBA

COURSE OBJECTIVES

This course provides an introduction to monetary theory and the techniques of economic modeling. It focuses on financial markets, financial institutions, and monetary policy, as well as the application of economic analysis to understand the determination of interest rates and asset prices. Topics also include the optimum quantity of money, optimal monetary and fiscal policy, uncertain and sequential trade models, central bank emergency lending in crises, institutional design of central banks, and macroeconomic policy, among others.

Upon completion of this course, students will be able to:

1. Understand the theories and concepts of the monetary theory;
2. Analyze problems involving the determination of interest and exchange rates in the economy;
3. Analyze models of the monetary economy, explore the linkage between assumptions underlying the models and the behavior of these model economies;
4. Develop an understanding of the trade-offs involved in monetary policy decisions, gain insights into the design of monetary policy;
5. Survey the challenges in the current monetary policy implementation faced by central banks.

PREREQUISITES

ECO 110 Microeconomics

ECO 120 Macroeconomics

GRADING



Grades will be determined by accumulating points, with 100 points being the maximum, as follows:

ITEM	POINTS
Quizzes	30 Points
Essays	20 Points
Midterm	20 Points
Final Exam	30 Points
Total	100 Points

Late submissions will be graded at the end of the course. Grades will be assigned according to the following rule:

$A \geq 90 > B \geq 80 > C \geq 70 > D \geq 60 > F$.

We reserve the right to make adjustments to the overall grading policy.

COURSE MATERIALS

Required Texts:

Frederic S. Mishkin, *The Economics of Money, Banking and Financial Markets*, 11th Edition, Pearson, 2016.

Recommended (Optional) Texts or Other Materials:

None

COURSE TOPICS

MODULE	TASKS
Module 1	Topics: Topic 1: Introduction and Course Overview Topic 2: The Financial System Topic 3: Financial Markets The Meaning and Behavior of Interest Rates Topic 4: The Risk and Term Structure of Interest Rates Assessments: Quiz#1



Module 2	Topics: Topic 5: Financial Institution: An Economic Analysis of Financial Structure Topic 6: Banking and the Management of Financial Institutions Topic 7: Economic Analysis of Financial Regulation Topic 8: Banking Industry: Structure and Competition Essay#1 Assessments: Quiz#2
Module 3	Topics: Topic 9: Central Banks and the Federal Reserve System Topic 10: The Money Supply Process Topic 11: The Tools of Monetary Policy Topic 12: The Conduct of Monetary Policy: Strategy and Tactics Assessments: Midterm
Module 4	Topics: Topic 13: The Foreign Exchange Market Topic 14: The International Financial System Topic 15: Monetary Theory Topic 16: Monetary Policy Theory Essay#2 Assessments: Quiz#3
Module 5	Topics: Topic 17: Financial Crisis in Emerging Market Economies Topic 18: The ISLM Model Topic 19: Non-bank Finance, Financial Derivatives Topic 20: Conflicts of Interest in the Financial Services Industry Assessments: Final Exam

ATTENDANCE

1) Class attendance is required. Missing classes without permission will lead to decrease in overall grade.

Missing less than two classes: no penalty.

Missing more than two classes: 7% will be taken off from the overall grade.

If the instructor reports a student's frequent missing of class to the Soochow University Academic Administration Office, the student might get a written warning



and might be prohibited from attending final exam.

2) Participants in this course are expected to arrive in class promptly and adequately prepared. The primary objective of this course is to critically engage with the readings and the subject matter. Therefore, course participants are expected to have completed the reading prior to class and prepare thoughtful reflections/commentaries to share with fellow colleagues.

LEARNING REQUIREMENTS

- 1) Late assignments are not acceptable and are subjected to grade deductions.
- 2) Assignments submitted in the wrong format will be counted as not submitted.
- 3) Failure to submit or fulfill any required course component results in failure of the class.
- 4) Make-up for midterm and final exams only with valid excuses, as defined by the University.
- 5) In order to earn a Certificate of Completion, participants must thoughtfully complete all assignments by stated deadlines and earn an average quiz score of 50% or greater.

TECHNOLOGY POLICY

The use of electronic devices in class is distracting, both for the user and for the rest of the class. Only non-programmable calculators can be used in the tests and exam. Any attempts to use cell phones and other electronic communication devices will be seemed as cheating. Laptops are discouraged, unless you use them for activities DIRECTLY related to the course (eg., note taking, reading course documents).

ACADEMIC INTEGRITY POLICY

Soochow University highly values the academic integrity and aims to promote the academic fairness, honesty and responsibility. Any academic dishonesty behaviors and any attempts to cheats and plagiarism will be reported to the university administration office. A written warning and the relevant penalties will be imposed. The record might be shown on the official university transcript.



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DISABILITY ACCOMMODATION

Soochow University is committed to maintaining a barrier-free environment so that students with disabilities can fully access programs, courses, services, and activities at Soochow University. Students with disabilities who require accommodations for access to and/or participation in this course are welcome.

Note:

Please contact the University Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material.