



蘇州大學
Soochow University

ECO 429 Money and Banking

Winter 2024

Course Credits: 4

Contact Hours: 56 hours

Instructor: TBA

Email: TBA

COURSE OBJECTIVES

This course examines key issues in the theory and practice of financial markets, banking, monetary policy, exploring their interaction and how the interaction impacts the real-world economy. Students will gain a deep understanding of how financial systems function, the role of monetary policy, and the dynamics of banking in shaping economic outcomes.

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

1. Gain a comprehensive understanding of components and roles within the financial system, including financial markets, institutions, and instruments;
2. Understand the role of monetary policy and provide justifications for the primary goals of monetary policy;
4. Critically assess the strengths and weaknesses of varying countries' monetary policy, explain how the decisions made in monetary policy affect the real economy and people's lives;
4. Apply microeconomic and macroeconomic theories to analyze and interpret real-world situations within the context of money and banking;
5. Engage in critical discussions and debates concerning contemporary monetary issues;

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
Assignments	40 Points
Midterm 1	15 Points
Midterm 2	15 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:

Supplementary readings will be assigned in alignment with class activities and discussions.

COURSE TOPICS

MODULE	TASKS
Module 1	<p>Topics:</p> <p>Topic 1: Introduction: Why Study Money, Banking and Financial Markets</p> <p>Topic 2: An Overview of the Financial System</p> <p>Topic 3: What Is Money</p> <p>Topic 4: The Meaning of Interest Rates</p> <p>Assessments:</p> <p>Assignment#1</p>



Module 2	<p>Topics: Topic 5: The Behavior of Interest Rates Topic 6: The Risk and Term Structure of Interest Rates Topic 7: The Stock Market, Theory of Rational Expectations, and the Efficient Market Hypothesis Topic 8: An Economic Analysis of Financial Structure</p> <p>Assessments: Assignment#2</p>
Module 3	<p>Topics: Topic 9: Banking and Management of Financial Institutions Topic 10: Economic Analysis of Financial Regulation Topic 11: Banking Industry: Structure and Competition Topic 12: Central Banks and the Federal Reserve System</p> <p>Assessments: Assignment#3 Midterm#1</p>
Module 4	<p>Topics: Topic 13: The Money Supply Process Topic 14: Tools of Monetary Policy Topic 15: The Conduct of Monetary Policy: Strategy and Tactics Topic 16: International Finance and Monetary Policy</p> <p>Assessments: Assignment#4 Midterm#2</p>
Module 5	<p>Topics: Topic 17: Monetary Theory: Quantity Theory, Inflation and Demand for Money Topic 18: The IS Curve” & The Monetary Policy and AD Curves Topic 19: Monetary Policy Theory Topic 20: Financial Crises</p> <p>Assessments: Final Exam</p>

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 (e.g., 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.