



University of
New Haven

Money and Banking

SECTION I: Course Overview

Course Code: ECN330PRG

Subject Area(s): Economics

Prerequisites: See Below

Language of Instruction: English

Total Contact Hours: 45

Recommended Credits: 3

COURSE DESCRIPTION

The course focuses on the connections between money (the Federal Reserve) and financial markets with financial institutions as their main actors (banks, mutual funds, hedge funds, insurance companies, the shadow banking system) in the modern market economy. Upon completion of this course, you will have a thorough understanding of the role of money and banks in the broader economy and of the unique role of banks in the financial system.

In this course, you will gain a macroeconomic perspective on capital markets and the banking system by learning how interest rates and exchange rates are determined and manipulated, and how to interpret and predict implications of monetary policy conducted by the Federal Reserve. You will also comprehend financial market inefficiencies (such as asymmetry of information) and notions of behavioral finance. You will analyze the performance of government, markets, and institutions in the context of economic problems. Topics will include unconventional monetary policy tools during financial crises, the future of banking and new developments in the financial system such as cryptocurrencies.

Throughout the course you will have the opportunity to widen your horizons on a chosen topic with a project based on real-life context (country, company, market), such as offshore banking regulations in tax heavens countries, or how banking can benefit from blockchain technology.

LEARNING OBJECTIVES

Upon successful completion of this course, you will be able to:

- Describe how interest rates, interest rate risk, and expectations of future interest rates affect decisions made by consumers and financial institutions.
- Explain the structure of the Federal Reserve System and the mechanisms in which it controls the money supply.
- Examine possible causes for recent financial crises, potential consequences for the macroeconomy, and monetary policies to counteract or prevent financial crises.
- Analyze monetary policy in the open economy and the foreign exchange market.

- Discuss new developments in the financial system, such as the role of cryptocurrencies in the modern economy.

PREREQUISITES

Students should have completed a course in Economics or Principles of Macroeconomics.

SECTION II: Instructor & Course Details

INSTRUCTOR DETAILS

Name:	TBD
Contact Information:	TBD
Term:	SEMESTER

GRADING & ASSESSMENT

The instructor will assess your progress towards the above-listed learning objectives by using the forms of assessment below. Each of these assessments is weighted and will count towards your final grade. The following section (Assessment Overview) will provide further details for each.

Engagement	20%
Quizzes	20%
Midterm paper	20%
Midterm paper presentation	10%
Peer review	10%
Final Exam	20%

ASSESSMENT OVERVIEW

This section provides a brief description of each form of assessment listed above. Your course instructor will provide further details and instructions during class time.

Engagement (20%): Engagement in class is expected of all CEA CAPA students. Guidelines for engagement can be found on the list of academic policies.

Quizzes (20%): Students are required to take 4 quizzes during the term. Each quiz will contain 5 multiple choice questions, each worth 1 point. Repeat attempts are possible but only the first attempt counts towards the final grade. The questions will be based on lectures as shown in the course calendar. The quizzes are going to be published in Moodle, deadlines for submissions are as per the Course calendar below.

Midterm paper (20%): The students will choose a topic for the midterm paper based on their interests. The topics are, however, restricted by the concepts discussed in this course. The topic is to be discussed and agreed upon with the instructor. The word count is 1000 words +/- 10% excluding tables, graphics and references. Harvard or APA referencing is required. The paper is to be submitted via Moodle.

Midterm paper presentation (10%): Students will present their findings from the midterm paper during class. The schedule of the presentations is to be agreed upon with the instructor and it will take place during weeks 10-14. The required length of the presentation is between 15-20 minutes.

Peer review (10%): The students will be required to peer review midterm papers submitted by their fellow students. The instructor will assign individual papers for peer review. The students are required to identify the strong features of the papers as well as areas for improvement. The peer review doesn't determine grades for the Midterm paper.

Final exam (20%): The final exam will cover all concepts discussed during the term. All questions will be open-ended, long answers, based on concepts discussed in the class. The exam is open book, and the students are allowed to use any materials, including electronic devices (but communication with third parties is not allowed). The student will be required to demonstrate their understanding of the course materials, their ability to apply them in a wide range of scenarios and their capacity critically evaluate the concepts for their validity and limitations.

ACTIVE LEARNING

CEA CAPA courses are designed to include a variety of active learning component that will take you out of the classroom and allow you to explore your local, host city. This course includes:

- **Field Study:** Prague Stock Exchange
- **Field Study:** Czech National Bank
- **Guest Lecture:** Investment in the current macroeconomic environment

REQUIRED READINGS

The reading assignments for this course are listed below. All required readings must be completed according to the due date assigned by the course instructor. You will not need to purchase these readings; the instructor will provide these selected readings to you in class (either in paper or electronic format) and/or through CEA CAPA's online Moodle classroom.

REQUIRED TEXT(S): You may purchase the required text(s) prior to departure or upon program arrival. The required text(s) are listed below:

Mishkin, Frederic S. *The Economics of Money, Banking and Financial Markets* (13th Edition). Pearson, 2022, (718 pages).

SELECTED READING(S): The selected readings for this course are listed below. You will not need to purchase these readings; the instructor will provide these selected readings to you in class (either in paper or electronic format).

Current news in monetary policy, economics and finance from Bloomberg, CNBC, The Economist and The Wall Street Journal.

RECOMMENDED READINGS

The recommended reading(s) and/or text(s) for this course are below. These recommended readings are not mandatory, but they will assist you with research and understanding course content.

Hubbard, G., and O'Brien, P. *Money, Banking, and the Financial System* (3rd Edition). 2017.

Williamson, S. D. *Macroeconomics* (6th edition), Pearson, 2018.

RECOMMENDED FILMS

The selected videos for this course are listed below.

Too Big to Fail (2011). Director: Curtis Hanson.

The Last Days of Lehman Brothers (2009). Director: Michael Samuels.

The Big Short (2016). Director: Adam McKay.

Money as Debt (2006). Director: Paul Grignon.

Enron: The Smartest Guys in the Room (2005). Director: Alex Gibney.

Margin Call (2011). Director: J.C. Chandor.

KEY RESOURCES

In order to ensure you success abroad, CEA CAPA has provided the academic resources listed below.

- **UNH Online Library:** As a CEA CAPA student, you will be given access to the online library of the University of New Haven (UNH). You may access the UNH online library [here](#). You must comply with [UNH Policies](#) regarding library usage.
- **CEA CAPA Classroom – Moodle**

COURSE CALENDAR
Money and Banking

SESSION	TOPICS	ACTIVITY	READINGS & ASSIGNMENTS
1	<p style="text-align: center;">Course Introduction: Review Syllabus, Classroom Policies, Mini Cases</p> <p style="text-align: center;">An Overview of the Financial System: Financial markets, financial intermediaries, regulation</p>	<p>Course Overview Lecture & Discussion</p>	Mishkin, Ch. 1 and 2 (pp. 50-96)
2	<p style="text-align: center;">Money: The role of money, how money works, quantitative theory of money, inflation and deflation</p>	<p>Lecture & Discussion</p>	<p>Mishkin, Ch. 3 (pp. 97-111)</p> <p>1st Quiz</p>
3	<p style="text-align: center;">Interest Rates: Time value of money, the structure of interest rates, determination of equilibrium interest rates, departure from equilibrium</p>	<p>Lecture & Discussion</p> <p>Case studies</p>	<p>Mishkin, Ch. 4 and 5 (pp. 112-164)</p> <p>*Due: 1st Quiz (before the beginning of the class)</p>
4	<p style="text-align: center;">Interest Rates Continuation: The risk and term structure</p>	<p>Lecture & Discussion</p> <p>Case studies</p>	Mishkin, Ch. 6 (pp. 165-188)
5	<p style="text-align: center;">Visit to the Czech National Bank</p> <p style="text-align: center;">Financial Markets: Stock markets, rational expectations, efficient markets</p>	<p>Field Trip</p> <p>Lecture & Discussion</p> <p>Case study</p>	Mishkin, Ch. 7 (pp. 189-211)

6	<p>Financial Markets II. Bond markets</p> <p>Financial Crisis & Financial Regulation</p>	Lecture & Discussion	<p>Readings: Mishkin, Ch. 8 (pp. 212-235) Mishkin, Ch. 12 and 13 (pp. 315-365)</p> <p>2nd Quiz</p>
7	<p>Banking and the Economy Non-bank Financial Institutions: Mutual funds, hedge funds, pension funds, insurance, and the shadow banking system</p>	<p>Guest Lecture</p> <p>Lecture & Discussion</p> <p>Case studies</p>	<p>Mishkin, Ch. 9 and 10 (pp. 236-282)</p> <p>*Due: 2nd Quiz (before the beginning of the class)</p>
8	<p>Financial Derivatives: Hedging, futures, forward, swaps, options</p>	Lecture & Discussion	<p>*Due: Midterm paper</p>
9	<p>Financial Derivatives: Hedging, futures, forward, swaps, options</p>	Lecture & Discussion	<p>3rd Quiz</p>
10	<p>Financial Markets III. Real Estate</p>	Lecture & Discussion	<p>*Due: 3rd Quiz (before the beginning of the class) Midterm paper presentations</p>

11	The Federal Reserve System & Banking	Lecture & Discussion	Mishkin, Ch. 14 (pp. 366-383) *Due: Peer review Midterm paper presentations
12	Money Supply Process	Lecture & Discussion	Mishkin, Ch. 15 and 16 (pp. 384-434) Midterm paper presentations 4th Quiz
13	Visit to Prague Stock Exchange Monetary Policy: Tools of monetary policy, transmission mechanism	Field Trip Lecture & Discussion	Mishkin, Ch. 17 (pp. 435-467) *Due: 4th Quiz (before the beginning of the class) Midterm paper presentations
14	Open Economy & International Finance: Balance of payments, foreign exchange market, exchange rate determination, IMF	Lecture & Discussion	Mishkin, Ch. 18 and 19 (pp. 468-519) Midterm paper presentations
15	FINAL EXAM		

SECTION III: CEA CAPA Academic Policies

To see all CEA CAPA academic policies outlined, please follow the following links. Students are expected to review and understand all CEA CAPA student policies, including the academic policies outlined online. CEA CAPA reserves the right to change, update, revise, or amend existing policies and/or procedures at any time.

Class & Instructor Policies can be found [here](#)

General Academic Policies can be found [here](#)