



**National Taiwan University of Science and Technology**

**2019 Summer Program**

**ECON 302 Money, Banking and Financial Markets**

**Course Outline**

**Term: July 01-August 02,2019**

**Class Hours: 14:00-15:50 (Monday through Friday)**

**Course Code: ECON 302**

**Instructor: Islam Rizvanoghlu**

**Home Institution: University of Houston**

**Office Hours: TBA and by appointment**

**Email: [irizvanoghlu@uh.edu](mailto:irizvanoghlu@uh.edu)**

**Credit: 4**

**Class Hours:**

According to the regulations of Minister of Education, R.O.C, 18 class hours could be counted as 1 academic credit in all universities in Taiwan. This course will have 72 class hours, including 40 lecture hours, professor 10 office hours, 10-hour TA discussion sessions, 2-hour review sessions, 10-hour extra classes.

**Course Description**

This course introduces financial markets sector and how each sector interacts with the individual, business and general economy. The role of financial institutions and the implications for the monetary policy is also examined. Special emphasis is placed on interactions of the money supply, interest rates and prices and their association with business activity. The aim of this course is to provide the students with an analytical framework that will enable them to understand and operate in financial markets and institutions. Besides, the course will introduce the student to real-world issues and problems of



participants in financial markets and familiarize the student with the role of the central bank in terms of the formulation and implementation of monetary policy.

### Course Textbooks

Frederic S. Mishkin, *The Economics of Money, Banking, and Financial Markets*, 11<sup>th</sup> edition, 2016, Pearson (earlier versions are also acceptable).

### Detailed Course Requirements

- **Exams:** There will be two Midterm exams and one comprehensive Final Exam during the class time. Each midterm exam will make 20% of your grade. Midterm exams will not be cumulative. However, final exam will be cumulative and it will make 30% of your grade.
- **Problem Sets:** I will post 2 homework assignments. I will not accept late submissions. The problem sets will make 20% of your grade.
- **Attendance/Participation:** As a courtesy to your fellow students and me please be on time for class. If you arrive late, please come in quietly and settle quickly. Please turn off all cell phones during the lecture. Attendance and participation is rewarded. It will make 10% of your grade.

94-100 = A    90-93 = A-    86-89 = B+    82-85 = B    80-82 = B-    76-79 = C+    72-75 = C  
70-72 = C-    66-69 = D+    62-65 = D    60-62 = D-    Below 60=F

### Detailed Weekly Course Schedule

#### Week 1

Chapter 1: Why Study Money, Banking, and Financial Markets?  
Chapter 2: An Overview of the Financial System  
Chapter 3: What Is Money?

#### *Homework 1*

#### Week 2

Chapter 4: Understanding Interest Rates  
Chapter 5: The Behavior of Interest Rates  
Chapter 6: The Risk and Term Structure of Interest Rates

#### *Midterm 1*



**Week 3**

Chapter 7: The Stock Market and the Efficient Market Hypothesis

Chapter 9: Banking and the Management of Financial Institutions

Chapter 12: Financial Crises

*Homework 2*

**Week 4**

Chapter 14: The Money Supply Process

Chapter 15: Tools of Monetary Policy

Chapter 16: The Conduct of Monetary Policy: Strategy and Tactics

*Midterm 2*

**Week 5**

Chapter 17: The Foreign Exchange Market

Chapter 18: The International Financial System

Chapter 24: The Role of Expectations in Monetary Policy

Review

*Final Exam*