

SYLLABUS

OFFICE	302 研究大樓
PHONE	2351-9641 ext. 471
OFFICE HOURS	Wednesday 11:00-12:00, and by appointment
E-MAIL ADDRESS	nankuang@ntu.edu.tw

COURSE OUTLINE

In this course, we will discuss the following topics:

(I) Introduction and Overview of the Financial System (Chapter 1, 2); The Origin of Money, Evolution of the Payments System, and E-Money (Chapters 3 and Handouts); Interest Rates, Bond and Equity Pricing, and Asset Portfolio Choice (Chapters 4, 5, and Handouts); The Risk and Term Structure of Interest Rates (Chapters 6 and Handouts); The Stock Markets, The Theory of Rational Expectations, and the Efficient Market Hypothesis (Chapters 7 and Handouts); Asymmetric Information and the Role of Financial Intermediaries (Chapters 8 and Handouts); Banking and the Management of Financial Institutions (Chapters 9 and Handouts); The Banking Industry: Structure and Competition (Chapters 10 and Handouts); Recent Trends in Commercial Banking and Financial Markets (Handouts “Are Banks Still Important for Financing Large Businesses”; “Banking Consolidation”)

(II) Economic Analysis of Banking Regulation (Chapters 11 and Handouts); Structure of Central Banks (Chapter 12; Handout “歐洲央行體系及美國聯邦準備體系之概況”); Money Supply and Tools of Monetary Policies (Chapters 13, 14, 15; Handout “Transparency in Monetary Policy”; “Discount window borrowing”); Monetary Policies Goals, Strategy, and Tactics (Chapters 16; Handout “紐西蘭採行通膨目標化之經驗”; “Inflation Targets”; “Currency Boards”; “Is There a Role for International Policy Coordination”; “Officially Dollarized Economies”); Transmission Mechanisms of Monetary Policy (Chapter 23); The Demand for Money (Chapter 19; Handouts: 我國貨幣成長目標區的設定); The Property Market and the Macro-economy (Handouts “House Price Bubbles”; “House Price Dynamics and the Business Cycle”; “House Prices and Fundamental Value”; “The Property Market and the Macro-economy”); Should the Fed React to the Stock Market (Handout “Stock Market Volatility”; “Should the Fed React to the Stock Market”; “Monetary Policy and Asset Price Bubbles”); Oil price shock (Handouts “Why Hasn't the Jump in Oil

Prices Led to a Recession”; “Oil Price Shocks and Inflation”; “Recycling Petrodollars”)

TEXTBOOK

Mishkin, Frederic S., The Economics of Money, Banking and Financial Markets, 8th edition, Addison-Wesley Publishing Co., 2007.

REFERENCES

The Economist

Websites of central banks

GRADING

There will be one midterm exam and one final exam. Exam problems are based on all materials covered in lectures, including handouts. A few days after the final exam, you will have a chance to check your grades and final exam sheets. No further changes in grades can be made once final grades are posted. Grades will be determined based on:

MIDTERM: 50%

FINAL: 50%