

# **Money and Banking**

## **Instructor: J.D. Hwang**

### **Course Description:**

This course addresses the following questions in details:

- 1) What is money and what role does it play in the Economy?
- 2) What are interest rates, how are they determined, and how do they behave?
- 3) What are financial intermediaries, and financial markets, and why are they important?
- 4) How does financial sector affect real economic activities and how can it be used to control cyclical fluctuations in the economy?

Text: Textbook for this course is Essentials of Money, Banking, and Economic Activities by the instructor (黃志典, 貨幣銀行學概論, 前程文化公司出版, 2008). Students are encouraged to read financial sections of Economic Daily News or Commercial Times.

**Grading:** Grade is based on a mid-term and a final exam. Both examinations carry an equal weight.

1. Money and Financial Markets: Chapter 1, 2 (2 lectures)
3. On Interest Rates: Chapter 3, 4 (2 lectures)
4. Portfolio Selection: Chapter 5 (1 lecture)
5. Banking Management: Chapter 8 (2 lectures)
6. Economic Analysis of Financial Structure: Chapter 6 (1 lecture)

### **Midterm**

7. Central Banking and Money Supply: Chapter 10, 11 (2 lectures)
8. On the Demand for Money: Chapter 3 (2 lectures)
9. Monetary Policy and Instruments of Monetary Policy: Chapters 12 (1 lecture)
10. Monetary and Fiscal Policy in IS-LM Model: Chapter 14 (2 lectures)
11. Inflation and Phillips Curve: Chapter 16 (1 lecture)
12. Aggregate Demand and Aggregate Supply: Chapter 15 (If time)

### **Final Exam**