



Beijing Jiaotong University

2020 Summer Program

ECON 302 Money, Banking and Financial Markets

Course Outline

Term: June 01-July 03,2020

Course Code: ECON 302

Instructor: Islam Rizvanoghlu

Home Institution: University of Houston

Office Hours: TBA and by appointment

Email: irizvanoghlu@uh.edu

Credit: 4

Prerequisites: Any introduction to microeconomics or equivalent principles course.

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*, 11th edition, 2016, Pearson (earlier versions are also acceptable).



Detailed Course Requirements

- **Exams:** There will be two Midterm exams and one comprehensive Final Exam. 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:** 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