

Monetary Theory and Policy

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Teaching Philosophy

- Contents
- Pace
- Questions and discussions
- Email communications

Classroom Courtesy

- Food and Drinks
- Electronic devices
- No photos/pictures allowed
- Chatting
- Something beyond this course

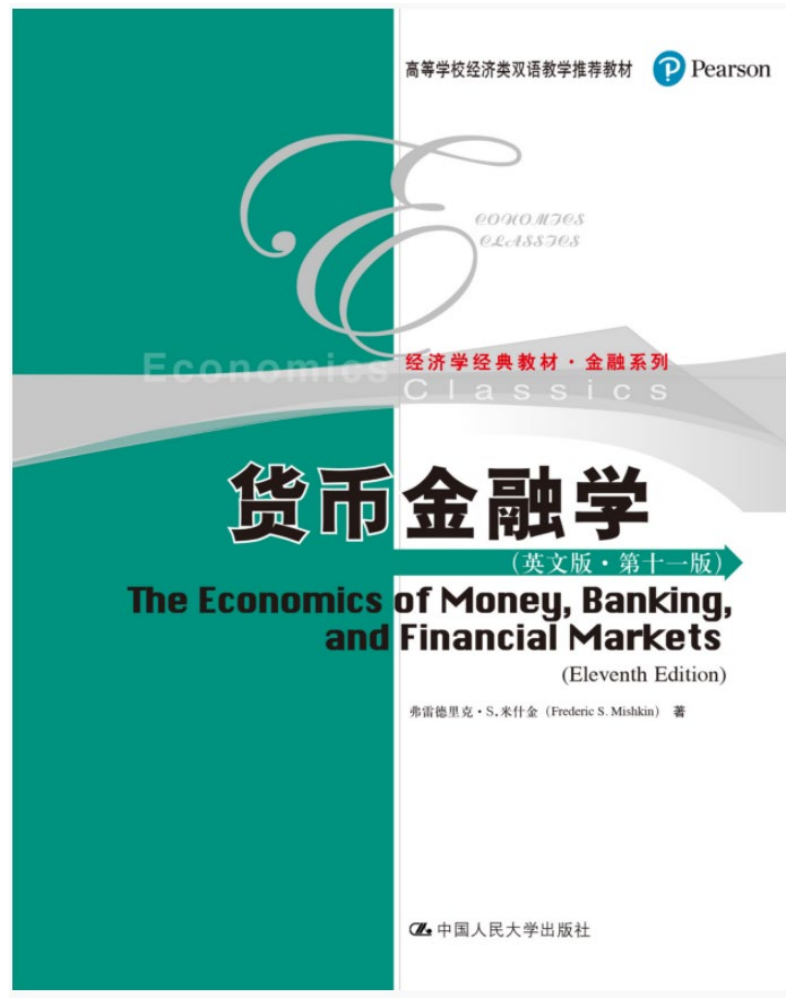
Think about it!

- What will happen to you in the coming one and half years?
- What you expect vs. what is expected from you
- Get yourself ready physically and psychologically!

Monetary Theory and Policy

- Textbook: **The Economics of Money, Banking and Financial Markets**
- By Frederic S. Mishkin
- English version (11 ed.) required
- Older versions
- Availability of textbooks
- <http://www.crup.com.cn/Book/TextDetail?doi=285f28a5-c953-4235-ae85-4a2d0d7dd864>

English Version 11e



Chapters to be Covered

- Part 1: Introduction
 - 1. Why Study Money, Banking, and Financial Markets?
 - 2. An Overview of the Financial System
 - 3. What Is Money?
- Part 2: Financial Market
 - 4. The Meaning of Interest Rates
 - 5. The Behavior of Interest Rates

Chapters Not to be Covered

- Part 2: Financial Market
 - 6. The Risk and Term Structure of Interest Rates
 - 7. The Stock Market, the Theory of Rational Expectations, and the Efficient Markets Hypothesis
- Part 3: Financial Institutions
 - 8. An Economic Analysis of Financial Structure
 - 9. Banking and the Management of Financial Institutions
 - 10. Economic Analysis of Financial Regulation
 - 11. Banking Industry: Structure and Competition
 - 12. Financial Crises

Chapters to be Covered

- Part 4: Central Banking and the Conduct of Monetary Policy
 - 13. Central Banks and the Federal Reserve System
 - 14. The Money Supply Process
 - 15. Tools of Monetary Policy
 - 16. The Conduct of Monetary Policy: Strategy and Tactics

Chapters Not to be Covered

- Part 5: International Finance and Monetary Policy
 - 17. The Foreign Exchange Market
 - 18. The International Financial System

Chapters to be Covered

- Part 6: Monetary Theory
 - 19. Quantity Theory, Inflation, and the Demand for Money
 - 20. The IS Curve
 - 21. The Monetary Policy and Aggregate Demand Curves
 - 22. Aggregate Demand and Supply Analysis
 - 23. Monetary Policy Theory
 - 24. The Role of Expectations in Monetary Policy
 - 25. Transmission Mechanisms of Monetary Policy

Grading

- Participation: 50%
 - In-class presentation (20%)
 - Quizzes (30%)
- Final Exam: 50%
 - Cumulative and comprehensive
 - In-class exam