



## University of International Business and Economics International Summer School

### FIN 207 Money, Banking and Financial Markets

**Term:** May 27 – June 27, 2019

**Instructor:** Xuefeng Pan

**Home Institution:** University of International Business and Economics

**Email:** xuefeng.pan@uibe.edu.cn

**Class Hours:** Monday through Thursday, 120 minutes each day (2,400 minutes in total)

**Office Hours:** Thursday 10am-12pm

**Discussion Session:** 2 hours each week

**Total Contact Hours:** 64 contact hours (45 minutes each, 48 hours in total)

**Credit:** 4 units

#### Course Description:

This class is intended to teach students theories and facts about the financial market from the perspective of macro finance, and to prepare them with skills that can help identify opportunities out of events and trends in the market. The class starts with an introduction to major financial products, and then extends itself into a broader discussion on how the financial market, monetary policy, banking sector and real economy interact with each other under an open economy setting. Students are encouraged to review basics of Intermediate Macroeconomics and of International Finance before coming to the class. Also, fundamentals of calculus are also preferred, though not required. While the class targets students with a major in Finance and/or Economics, business students are also welcome.

#### Required Textbook:

Economics of Money, Banking and Financial Markets by Mishkin, 12th edition, ISBN-10: 0134733827 (previous editions maybe OK, please check with me).

#### Grading Policy:

Your attendance, assignments and exams will be graded in numerical scores, but your overall class performance will be assessed in a letter grade, with the following scale and weights:

- 1) Attendance: 15%
- 2) Assignments: 15%
- 3) Midterm Exam: 30%
- 4) Final Exam: 40%

**NOTE 1:** There is NO make-up exam for ANY reason. If you miss the midterm exam for any

reason, your final exam will automatically account for 70% of the final class grade.

**NOTE 2:** If you do OBVIOUSLY better in the final exam than in the midterm, the instructor MAY or MAY NOT consider replacing your midterm exam grade with the final exam one.

**NOTE 3:** Attendance to each class will be recorded. You are responsible for keeping track of your attendance. Leaving early after signing the attendance-sheet is considered as cheating.

### Homework

There is a total of four weekly assignments. The purpose of assignment is to keep you updated about lecture materials, and to prepare you for the midterm and final exams. Homework questions will closely follow lecture materials and will be reflected in both the midterm and the final exams, though not in exactly the same form.

**NOTE 4:** Please provide your homework solutions on papers, either printed or in hand writings. ABSOLUTELY no electronic submission of homework. No late homework.

### Grading Scale:

Assignments and examinations will be graded according to the following grade scale:

<b>A</b>	90-100	<b>C+</b>	72-74
<b>A-</b>	85-89	<b>C</b>	68-71
<b>B+</b>	82-84	<b>C-</b>	64-67
<b>B</b>	78-81	<b>D</b>	60-63
<b>B-</b>	75-77	<b>F</b>	below 60

### Class Rules:

The instructor encourages and appreciates free discussions of lecture materials and topics in the class room. If you have any questions, please feel free to ask.

Announcements about lectures, homework and exams may be made during the class. It is your responsibility to follow any announcements. If you are not sure, just ask.

No use of electronic devices in the class room. If you need take notes using a laptop and/or a tablet, please kindly notify the instructor in advance.

While classroom diversity is appreciated, please respect your classmates and the instructor in the way you would like them to respect you.

### Attendance Policy:

Students are expected to attend class. Attendance will be taken and count towards the grade.



### Course Schedule:

This is a tentative schedule of the class. The instructor may adjust the schedule and topics based on the progress of lecturing and the difficulties of topics.

#### WEEK 1

Lecture 1 Financial Market-Assets and Pricing

Lecture 2 Understanding Interest Rates

#### WEEK 2

Lecture 3 Behavior and Determinants of Interest Rate

Lecture 4 Risk and Term Structure of Interest Rate

#### WEEK 3

Lecture 5 Banking: Structure, Competition and Trend

Lecture 6 Banking: Derivatives and Financial Crisis

**Midterm Exam: Covering Lecture 1-6, on June 12, 2019**

#### WEEK 4

Lecture 7 Midterm Exam Go-over

Lecture 8 Monetary System: Demand-Supply and Transmission

Lecture 9 Small Open Economy: Exchange Rate and Capital Flow

#### WEEK 5

Lecture 10 Monetary Policy and Financial Market: Goals and Tools

Lecture 11 Class Review

**Final Exam: Cumulative, covering Lecture 1-10, on June 27, 2019**

### Important Dates

**May 27, 2019:** First Class

**June 12, 2019:** Midterm Exam

**June 27, 2019:** Final Exam

**NOTE 5:** The exact locations for both the midterm and final exams will be announced during the class once the Instructor is informed by the School Management.