



Money and Banking A

Module Code: ECU33021

Module Name: Money and Banking A

- **ECTS Weighting:** 5
- **Semester/Term Taught:** Semester 1
- **Contact Hours:** 22 hours of lectures and 5 hours of tutorials
- **Module Personnel:** Professor Maylis Avaro

Module Learning Outcomes:

On successful completion of this module, you will be able to:

- Discuss the recent performance of financial markets and government intervention strategies in light of economic theory;
- Describe recent trends in the organization of the financial industry and recognize the main microeconomic theories of banking;
- Describe the main financial instruments and the way in which they help redistribute risk between economic agents.

Module Content:

This module is formed by three pillars. The first one will introduce the core principles of banking and present an overview of financial instruments, financial markets and financial institutions. The second pillar will study fundamental concepts such as value and present value, risk and term structure, bonds, interest rate determination, stock markets, market efficiency, derivatives and foreign exchange. We will study how market interest rates are determined. The third pillar will put the focus on the economic theory behind financial intermediaries. We will discuss how the financial system can mitigate problems related to asymmetric information. This part of the module will also cover bank risk management, bank runs and financial crises.



Recommended Reading List:

Background Readings:

- Cecchetti, Stephen G. and Schoenholtz, Kermit L. Money, Banking and Financial Markets 6th ed. 2021
- Matthews, Kent and John Thompson. The Economics of Banking, 2nd ed. (Wiley, 2008)
- Mishkin, Matthews and Giuliadori. *The Economics of Money, Banking and Financial Markets*, European edition (Pearson, 2013)

NB: Additional readings will be suggested in lectures

Module Pre-Requisite:

ECU22011 & ECU22012 Intermediate Economics, ECU22031 & ECU22032
Mathematical and Statistical Methods

Assessment Details:

- 20% Group work
- 20% Assignment
- 60% Examination

Module Website:

Blackboard