**Antalya Bilim University**

**Department of Economics, ECON 1307**

**Monetary Economics I**

**Fall 2020**

Class time & place: Friday 09:30-12:10, A1-03

Office hours: I’m available on Fiday after classes.

Prof. Dr. Mehmet Günal

gunal07@yahoo.com

mehmet.gunal@antalya.edu.tr

Welcome to the course. The primary purpose of this course is to introduce a modern analysis of current monetary theories and financial institutions. The course goal is to provide students with a general understanding of the functioning of financial systems as well as detailed analyses on the determination of interest rates, financial markets and instruments, bank management and regulation, central banking and the monetary policy, the instruments and targets of monetary policy. The course is built upon a combination of lectures, in-class debates and active participation of students to these debates.

**Course book:**

# Frederic S. Mishkin, Economics of Money, Banking and Financial Markets, 12th International Edition, (Pearson, 2018).

Students are responsible to get a hard copy of the course book.

**Recommended readings:**

Additional reading material will be provided by the lecturer.

**Developing Graduate Attributes**

Students will be encouraged to develop the following graduate attributes by undertaking the course activities and mastering the course contents. These attributes will be assessed within the assessment tasks:

* skills involved in scholarly enquiry;
* an in-depth engagement with the relevant disciplinary knowledge;
* the capacity for analytical and critical thinking;
* the ability to engage in independent and reflective learning.

**Academic Honesty and Plagiarism**

Plagiarism is using the words or ideas of others and presenting them as your own. Plagiarism is a type of intellectual theft. It can take many forms, from deliberate cheating to accidentally copying from a source without acknowledgement. Although plagiarism is well established in Turkish educational system, you will be punished heavily if you are caught do it.

**Assessment Criteria:**

1. **Attendance & Participation (15%)**: Attendance and participation make up 25 % of your overall course grade. Students are expected to read the assigned chapters and other readings before the class. They are expected to participate class discussions and present their views and answer questions. Students are required to exhibit proper discipline, behavior, and responsibility.
2. **Midterm (30%):** Students are responsible for all class material covered until the misterm exam.
3. **Research paper (15%):** From a list of topics students are responsible for selecting one and writing a paper based on research (library and e-sources) on time. They need to write according to academic rules, provide footnotes and sources. Late assignments will be accepted with penalty. Failure to complete research paper will be reflected in a student's overall grade. Students are expected to be academically honest and refrain from plagiarism. See above.
4. **Final exam (40%)**: This exam is cumulative and will focus on all units and topics studied throughout the course, but emphasis will be after midterm.

**PS: Please note that the passing grade is 50 out of 100.**

**Course Schedule**

**WEEK 1 (5-9 Oct**)

Ch.1. Why Study Money, Banking, and Financial Markets?

Ch.2. An Overview of the Financial System

**WEEK 2 (12-16 Oct)**

Ch.3. What Is Money?

Ch.4. The Meaning of Interest Rates

**WEEK 3 (19-23 Oct)**

Ch.5. The Behavior of Interest Rates

**WEEK 4 (26-30 Oct)**

Ch.6. The Risk and Term Structure of Interest Rates

**WEEK 5 (2-6 Nov)**

Ch.7. The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis

Ch.8. An Economic Analysis of Financial Structure

**WEEK 6 (9-13 Nov)**

Ch.9. Banking and the Management of Financial Institutions

**WEEK 7 (16-20 Nov)**

Ch.10. Economic Analysis of Financial Regulation

Banking and Financial Regulation in Turkey (additional text will be given by the instructor)

**WEEK 8 (23-27 Nov) Midterm Exam**

**WEEK 9 (30 Nov-4 Dec)**

Ch.11. Banking Industry: Structure and Competition

Structure of the Turkish Banking Sector (additional text will be given by the instructor)

**WEEK 10 (7-11 Dec)**

Ch.13. Central Banks and the Federal Reserve System

Ch.14. The Money Supply Process

Centrak Bank of Turkey (additional text will be given by the instructor)

**WEEK 11 (14-18 Dec)**

Ch.15. Tools of Monetary Policy

**WEEK 12 (21-25 Dec)**

Ch.16. The Conduct of Monetary Policy: Strategy and Tactics

Tools and Concudt of Monetary Policy in Turkey (additional text will be given by the instructor)

**WEEK 13 (28-31 Dec)**

Ch.17. The Foreign Exchange Market

Ch.18. The International Financial System

**WEEK 14 (4-8 Jan)**

Ch.12. Financial Crises

Ch.1. (Chapters on the Web) Financial Crises in Emerging Market Economies

Financial Crises in Turkey (additional text will be given by the instructor)