

American University – Central Asia
Department of Economics
ECO407
MONEY AND BANKING,
Semester, 2014

Instructor: TolkunbekAbdygulov
Office hours: By appointment only
E-mail: tabdygulov76@yahoo.com

COURSE DESCRIPTION:

Course objective is to familiarize students with an analytical framework that employs basic economic principles to logically think about the structure of financial markets, the foreign exchange markets, financial institution management, and the role of monetary policy in the economy. The course is designed provide students with competence in the use of banking terminology, the linkage of financial institutions, and other aspects of the financial system. In addition to the latest developments in monetary theory, particular emphasis is given to the financial system and banking practices in the Kyrgyz Republic.

PREREQUISITES

Passing grade in ECO 212 Intermediate Macroeconomics.

REQUIRED TEXTS

The Economics of Money, Banking and Financial Markets, Ninth Edition (The Addison-Wesley series in Economics), Frederic S.Mishkin, ISBN 0-321-12235-6

COURSE REQUIREMENTS

There will be two exams (a mid-term and a final), numerous quizzes, and one project. Course grade will be determined as follows:

Mid-Term Exam	25%
Final Exam	25%
Quiz Average	25%
Project	25%

QUIZZES. Quizzes cover the week's reading material for discussion. For the success on quizzes, all reading assignments must be completed for the date indicated. Quizzes are given most weeks, but THREE quizzes are dropped in calculating the quiz average. Students are responsible for all reading assignments. Lectures will expand beyond the reading material, using readings as a basis for more in-depth discussions of the material. No quizzes can be made-up. Missed quizzes count as a zero, and may be counted among the dropped quiz grades at the end of the semester. In addition, a few case studies are assigned and count as another quiz grade. For reinforcing topics covered, cases are small projects completed during the week following a reading assignment. If students are not able attend class, you may turn in your case assignment before the class begins on the day the assignment is due. Late assignments will not be accepted under any circumstances.

EXAMS. Exams are comprehensive and cumulative. Any material in the readings or discussed in class is fair game for the exams. The format for the exams will include multiple choice, short answer and essay. Make-up exams will be filed with the Department of Economics office, and will be monitored by office personnel. Make-up exams will have an all-essay format.

IN CLASS REQUIREMENTS:

1. No cell phones (Silence your cell phone)
2. Students are not allowed to enter the classroom after the beginning of the lecture/seminar

A NOTE ON CHEATING AND PLAGIARISM

Cheating is a significance offense against AUCA's academic policy, the university, and your fellow classmates. Cheating will merit, at a minimum, a zero for a grade on the assignment. Further actions may be warranted and will be determined by the professor on a case-by-case basis and *very likely may include a grade of "F" for the class.*

PROJECT. You are expected to complete a term project. Details will be provided in a separate handout. Late papers will be penalized substantially.

COURSE OUTLINE

Date	Subject	Mishkin, Chapter
Week 1	Introduction: Why study money, banking, and financial markets?	1
Week 2	An overview of the financial system	2
Week 3	What is money?	3
Week 4	Financial Markets: Understanding Interest Rates. The Behavior of interest rates	4,5
Week 5	Financial Markets: The risk and Term Structure of Interest Rates	6
Week 6	The Stock Market, the theory of rational Expectations, and the Efficient Market Hypothesis	7
Week 7	Financial Institutions: An economic analysis of financial Structure	8
Week 8	Financial Institutions: Banking and the management of financial institutions	10
Week 9	Midterm exam	
Week 10	Economic Analysis of financial regulation	11
Week 11	Central Banking and the conduct of the monetary policy: Structure of Central Banks and the Federal Reserve System	13
Week 12	Tools of the Monetary Policy	15
Week 13	Conduct of the Monetary Policy: goals and targets	16
Week 14	International Finance and Monetary Policy: The foreign Exchange Market	17
Week 15	The international Financial System	18
Week 16	Final Exam	

American University – Central Asia
Department of Economics
ECO407
MONEY AND BANKING,
Spring Semester, 2013

Grading Scale

Grade	Score
“A”	94-100
“A-”	90-93
“B+”	87-89
“B”	84-86
“B-”	80-83
“C+”	77-79
“C”	74-76
“C-”	70-73
“D+”	67-69
“D”	64-66
“D-”	60-63
“F”	59