

ECON2026

Money and Banking

In this course we will use basic macroeconomics techniques to study financial markets and to explore the role of money in the economy. Given the importance of monetary policies for a well-functioning economy, the course will pay a special attention to the monetary policy and theory. We will cover the following major topics: money, interest rates, the stock market, the central banks, the money supply process, the monetary policy, the link between international finance and monetary policy, and the monetary theory.

Mode of Delivery	On campus
Prerequisites	As listed in Programs and Courses
Incompatible Courses	As listed in Programs and Courses
Course Convener:	Cagri S. Kumru
Phone:	02 612 56126
Email:	cagri.kumru@anu.edu.au
Office hours for student consultation:	Please see Wattle
Research Interests	Quantitative Macroeconomics
RSE Student Office Contact	Nicole Millar
Phone:	02 612 50384
Email:	enquiries.rse@anu.edu.au
RSE Students Webpage	https://www.rse.anu.edu.au/students/
Lecturer	Cagri Kumru
Tutor(s) (optional)	Please see Wattle

SEMESTER 1, 2018

Course URL: See Wattle

COURSE OVERVIEW

Learning Outcomes

Upon successful completion of the requirements for this course, students will be able to:

1. understand the role of money in the economy
2. have an understanding of interest rates
3. understand how various factors such as risk and liquidity can affect interest rates
4. have an understanding of basic principles and theories of finance
5. have an understanding of the monetary policy
6. establish the link between international finance and monetary policy
7. have an understanding of the monetary theory
8. understand and give an advice regarding the effects of monetary policy on output and prices.

Assessment Summary

Assessment Task	Value	Due Date	Date for Return of Assessment	Linked Learning Outcomes (optional)
1. 4 Homework Assignments	12%	W 4, 6, 8, 12	Marked Homework Assignments will be returned a week after	1-8
2. 5 Tutorial Short Exams	12%	W 3, 5, 7, 9, 11		1-8
3. Mid-semester Exam	26%	W 6		1-8
4. Final Exam	50%	Final Exam Week		1-8

Research-Led Teaching

The course will cover recent research in the area of monetary economics. Relevant recent papers will be provided in Wattle, often as suggested optional readings. When feasible the main findings of those papers will be discussed in class. The lecturer in charge of this course has research interests in macroeconomics and has published several papers in top international journals.

Course Delivery

This course consists of one lecture (two hours) and one tutorial (one hour) per week (see the timetable for details on dates, times, and locations). Tutorial meetings start in week 2 (see tutorial registration details below).

- Lectures: It is expected that students attend lectures whenever possible and come prepared to them. The handouts will be uploaded to WATTLE at least one day before the lectures.
- Tutorials: It is expected that students prepare for tutorial in advance and come ready to answer questions about the problems assigned for each week's tutorial.

Feedback

Staff Feedback

- Written comments: I will provide comments on HW Assignments, tutorial short exam papers, and the mid-semester exam papers.
- Verbal comments will be provided during consultation hours.

Student Feedback

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to

<http://unistats.anu.edu.au/surveys/selt/students/> and
<http://unistats.anu.edu.au/surveys/selt/results/learning/>

Policies

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University's academic standards, and implement them. You can find the University's education policies and an explanatory glossary at:

<http://policies.anu.edu.au/>

Students are expected to have read the [Academic Misconduct Rules 2014](#) before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources

- Frederic S. Mishkin, *The Economics of Money, Banking, and Financial Markets*, 11th edition (Pearson series in Economics). Hereafter, I will refer to it as Mishkin.

Examination material or equipment

Please see Wattle

COURSE SCHEDULE

- The following outline is a guide for you to know the order in which materials will be presented throughout the semester.

Week/ Session	Topic	readings
1	Introduction	Mishkin Chapters 1, 2, and 3.
2	Interest Rates	Mishkin Chapters 4 and 5.
3	Interest Rates	Mishkin Chapter 6

4	Stock Market	Mishkin Chapter 7
5	Central Banks and Money Supply	Mishkin Chapters 14 and 15
6	Monetary Policy	Mishkin Chapters 16 and 17
7	International Finance and Monetary Policy	Mishkin Chapters 18 and 19
8	The IS, MP, and AD Curves	Mishkin Chapter 21, 22
9	AD and AS and Monetary Policy Theory	Mishkin Chapter 23
10	Further Issues in Monetary Policy I	Mishkin Chapters 24 and 25
11	Further Issues in Monetary Policy II	Mishkin Chapters 26
12	Financial Crisis	Mishkin Chapters 12 and 13
	Examination period	

ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University's approach to managing Academic Integrity. For additional information regarding Turnitin please visit the [ANU Online](#) website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

Assessment Tasks

Participation

There are no marks allocated for attendance but participation in lectures and tutorials is encouraged. Please note that preparing for lectures and tutorials in advance will considerably enhance your performance in this course.

Assessment Task: HW Assignments

Details of task: Students need to answer various short-essay, data manipulation, or analytical questions. Each assignment should be typed. The font size should be 12 and the line spacing should be 1.5 lines. The normal margin should be used. Please submit a **PDF file** version of your work.

Assessment Rubrics

Value: 3% each

Presentation requirements: No

Estimated return date: See the Assessment Summary table above

Examination(s)

Tutorial short exams: There will be 5 short exams in tutorials. Your best 4 scores will be counted. These exams will try to measure your understanding the material during the semester and to give you a timely feedback. The value of each quiz is 3%.

Mid Semester Exam: The mid-semester exam will be given in W6. This exam is optional and redeemable.

There will be no special examinations for the mid-semester exam. Instead the weighting will be moved to the final exam.

Final Exam: This exam is compulsory and not-redeemable. Exam covers all topics studied in week 1-12 (inclusive).

Assignment submission

Online Submission: Assignments are submitted using Turnitin in the course Wattle site. You will be required to electronically sign a declaration as part of the submission of your assignment. Please keep a copy of the assignment for your records.

Extensions and penalties

Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure.

The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

No submission of assessment tasks without an extension after the due date will be permitted. If an assessment task is not submitted by the due date, a mark of 0 will be awarded.

Returning assignments

Comments to HW assignments will be provided through Wattle.

Resubmission of assignments

Resubmission of assignments will not be allowed.

Referencing requirements

Please use Harvard style referencing: <http://www.anu.edu.au/students/learning-development/academic-integrity/style-guides>

Scaling

Your final mark for the course will be based on the **raw** marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be **scaled**. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

Privacy Notice

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor's terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit 'content' to a database, such as an assignment or short answers, the database licensor may only use the student's 'content' in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor's terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

SUPPORT FOR STUDENTS

The University offers a number of support services for students. Information on these is available online from <http://students.anu.edu.au/studentlife/>

Other Information

Building Access Hours

Both CBE and HW ARNDT are:

TEACHING PERIOD = Mon – Fri 07.45 to 21.15 and SAT, SUN and Public Holidays is not accessible by students.

Both CBE and HW ARNDT are:

NON TEACHING PERIOD = Mon – Fri 08.00 to 18.00 and SAT, SUN and Public Holidays is not accessible by students.

RSE has a Frequently Asked Questions page where you can find relevant policies and information on a broad range of topics, the onus is on the student to familiarise themselves with this page and the information available.

<https://www.rse.anu.edu.au/students/students/frequently-asked-questions/>