



Money and Banking

ECON-UA 9231 F01

Instruction Mode: Blended

Brightspace course site <https://brightspace.nyu.edu/d2l/home/164392>

Spring 2022

If you are enrolled in this course 100% remotely and are not a Study Away student for NYU Florence, please make sure that you've completed the online academic orientation via Brightspace so you are aware of site specific support structure, policies and procedures. Please contact florence.academicssupport@nyu.edu if you have trouble accessing the Brightspace site.

Syllabus last updated on: [Day-Month-Year]

Lecturer Contact Information

TBA

Prerequisites

ECON-UA 1 (Economic Principles) or ECON-UA 5 (Introduction to Economic Analysis).

Units earned

4

Course Details

- Meeting Days and Times: We 9:00AM-11:45AM
- All times are Central European Time (CET) Please note that there is a gap in when Daylight Savings Time (DST) begins in Europe and the U.S. In the U.S., DST begins on Sunday, 13 March 2022 when clocks will be set 1 hour forward. In Europe, DST begins Sunday, 27 March 2022.
- Location: Rooms will be posted in Albert before your first class.
- Remote Participants: Your instructor will provide you with the Zoom link via NYU Brightspace.



- COVID-related details: In the interest of protecting the NYU Florence community, we are closely following CDC guidance around COVID-19 and adjusting our recommendations and policies accordingly. Your health and well-being is our top priority.

Course Description

This course is projected to help students understand the connections between money, financial markets, the banking sector and the macroeconomy. In particular, how interest rates are determined and behave? How does the Federal Reserve (and central banks in general) conduct monetary policy? How does the financial crisis occur and why? How COVID-19 crisis impact the financial market developments? The course dedicates specific attention to the banking sector with an emphasis on their function, position and importance in financial markets as well as a role in the recent financial crisis. Topics will include the role of the Federal Reserve as a lender of last resort during the recent, and previous, financial crises, unconventional monetary policy tools such as quantitative easing and forward guidance. We discuss new developments in payment and clearing including cryptocurrencies. We will often begin class with a discussion of current macro-financial market events in the context of our course coverage.

Course Objectives

On completion of this course, students should:

- Have improved their mastery of economic and business related concepts;
- Have performed graphical and quantitative treatment of the theories
- Have made relevant connections between theory and real world examples, through references to media material, readings or case studies
- Find an increased interest to read economic and business related materials in the media.

Assessment Components

[This must include the number of pages of written work and length of time of oral presentations, as well as percentage value of each component as it applies to the total final grade. We have provided specific language to address blended and online teaching scenarios. This sample can be modified to suit the course criteria by the instructor]

- Attendance and Academic Commitment**: 10%
- Written Assignments (four Problem Sets): 20%
- 2 Essays or 2 Oral Presentations of 10-minute length: 10%
- Midterm Exam: 30%
- Final Exam: 30%

Failure to submit or fulfill any required course component results in failure of the class.

****NB: Commitment:** A student's commitment will be evaluated based on active participation, involvement and contribution in the course either remote or in-person.



Sample 1: Contributions include, but are not limited to: class assignments, tasks, discussion boards, office hours, labs, online chat, and/or the viewing of asynchronous course materials and completion of relevant work. If the student is participating remotely in the courses, it is imperative that they communicate regularly with their faculty members.

Assessment Expectations:

- **Grade A:** The student makes excellent use of empirical and theoretical material and offers structured arguments in their work. The student writes comprehensive essays/exam questions and their work shows strong evidence of critical thought and extensive reading.
- **Grade B:** The candidate shows a good understanding of the problem and has demonstrated the ability to formulate and execute a coherent research strategy
- **Grade C:** The work is acceptable and shows a basic grasp of the research problem. However, the work fails to organize findings coherently and is in need of improvement
- **Grade D:** The work passes because some relevant points are made. However, there may be a problem of poor definition, lack of critical awareness, poor research
- **Grade F:** The work shows that the research problem is not understood; there is little or no critical awareness and the research is clearly negligible
- *Please note, Stern Business courses will adhere to the Stern Grading

Grading Guidelines

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=65-66

F=below 65

Attendance Policy



In order to keep each other safe, if you are not feeling well, we encourage you to remain in your residence and, if possible, attend class remotely.

Please make sure to inform your professor in advance so that they can turn on Zoom. Remote attendance is counted as regular attendance. You will not be marked absent.

For a detailed explanation of the global attendance policy, see the NYU Florence [Present vs. Absent Flowchart](#).

Exams, tests and quizzes, deadlines, and oral presentations that are missed due to illness always require a doctor's note as documentation.

The Global Attendance Policy is posted in the Academic Policies tab in [Brightspace](#), on the [NYU Florence Student Portal](#) website, and is posted around campus.

After you have read and reviewed the policies, if there is anything that still needs further clarification or raises a question, please reach out to florence.academicsupport@nyu.edu.

Final exams

Final exams must be taken at their designated times. Should there be a conflict between your final exams, please bring this to the attention of the Academics team. Final exams may not be taken early, and students should not plan to leave the site before the end of the finals period.

Late Submission of Work

Please refer to Academic Policies in [Brightspace](#).

Required Text(s)

Frederic S. Mishkin, **The Economics of Money, Banking, and Financial Markets**, Pearson, 13E, 2022.

All readings are available online on the NYU Brightspace course site. Hard copies of some textbooks are available for consultation and semester-long loans in the [Villa Ulivi Library](#). Please email florence.library@nyu.edu to reserve a copy. To request scans from books on reserve please fill out the [Ulivi Library Book Scan Form](#).

Supplemental Text(s) (not required to purchase)

- Selected readings from The Economist (<http://www.economist.com>) and Financial Times (<https://www.ft.com>).
- Material composed by the instructor.
- Supplemental readings that cover parts of the course will be available in NYU Brightspace.

Additional Required Equipment

A pocket calculator (no calculator or smartphone) is required in each class. Smartphones not allowed for exams.

Session 1 - January 28 (Make Up Day)



Topic: (1) The importance to study Money, Banking, and Financial Markets; (2) An Overview of the Financial System and its participants
Ch. 1 and 2 + supplementary material

Session 2 – February 2

Topic: (1) What is money; (2) The meaning and measurement of interest rates.
Ch. 3 and 4

Session 3 – February 9

Topic: The behavior of interest rates
Ch. 5 + Discussion “Money and its forms”

Session 4 – February 16

Topic: (1) The Risk and Term Structure of Interest Rates; (2) The stock market, the theory of rational expectations, and efficient market hypothesis
Ch. 6 and 7

Session 5 – February 23

Topic: Bank as a significant participant of the financial market and its management
Ch 9 + Supplementary material + Discussion “Yield curve”

Session 6 – March 2

Review Session and Presentations

Session 7 – March 9

Midterm Exam

Spring Break - March 14 - March 20 - NO CLASS

Session 8 – March 23

Topic: (1) Banks and financial regulations: the path of evolution; (2) Why do banks need to be regulated? Main bank regulatory frameworks (Basel III, Dodd-Frank)
Ch. 10 + Supplementary material

Session 9 – March 30

Topic: Financial crisis in advanced economies: first warning indicators, phases, and dynamics
Ch. 12

Session 10 - April 6

Topic: (1) Central banks: a global perspective; (2) The money supply process
Ch. 14 and 15 + Discussion “Responses to financial crisis”

Session 11 – April 13

Topic: (1) Tools of Monetary policy; (2) The Conduct of Monetary Policy (Strategy, Tactics)
Ch. 16 and 17

Session 12 – April 20



Topic: The foreign exchange market, the formation of the exchange rate (demand and supply of assets

Ch. 18 + Discussion “Independence of central banks”

Session 13 – April 27

Topic: Covid-19 crisis and financial system

Supplementary Material

Session 14 – May 4

Review Session and Presentations

Session 15 - May 11

Final exam

Problem Set	Chapters	Posting Date	Due Date	Solutions Uploaded
#1	Ch. 1,2,3 and 4	Feb. 4	Feb. 11	Feb.16
#2	Ch. 5,6,7 and 9	Feb. 25	Mar. 4	Mar. 9
#3	Ch. 10,12,14 and 15	Apr. 8	Apr. 15	Apr. 20
#4	Ch. 16,17 and 18	Apr. 22	Apr. 29	May. 4

Suggested Co-Curricular Activities

[Enter suggested voluntary co-curricular activities]

Your Lecturer

Lilit Popoyan is an assistant professor at the University of Naples “Parthenope” and an associate researcher at Scuola Superiore Sant’Anna (Pisa, Italy). Previously she was a research fellow at the Institute of Economics, Scuola Superiore Sant’Anna (Pisa, Italy) and visiting researcher at Goldsmiths, University of London. Her research is mainly focused on a nexus between financial regulations, financial stability, sustainable finance, and macroeconomic dynamics. Lilit holds a Ph.D. in Economics from the Scuola Superiore Sant’Anna (Italy). She got her Master’s degree in Banking and Finance from University of Pisa (Italy) and both Bachelor (in Economics) and Master’s (in Banking) from Yerevan State University (Yerevan, Armenia). Her previous work experience includes policy-relevant research in Central Bank of Armenia and financial analyses in Credit Agricole Bank. A part of her current research activity is in



straight collaboration with central banks. Her research has contributed to such European research projects as DOLFINS, ISIGrowth, GROWINPRO and was published international peer-reviewed scientific journals.

Academic Honesty & Plagiarism

As the University's policy on "Academic Integrity for Students at NYU" states: "At NYU, a commitment to excellence, fairness, honesty, and respect within and outside the classroom is essential to maintaining the integrity of our community. By accepting membership in this community, students take responsibility for demonstrating these values in their own conduct and for recognizing and supporting these values in others." Students at Global Academic Centers must follow the University and school policies.

NYU takes plagiarism very seriously; penalties follow and may exceed those set out by your home school. Your lecturer may ask you to sign a declaration of authorship form, and may check your assignments by using TurnItIn or another software designed to detect offences against academic integrity.

The presentation of another person's words, ideas, judgment, images, or data as though they were your own, whether intentionally or unintentionally, constitutes an act of plagiarism. It is also an offense to submit work for assignments from two different courses that is substantially the same (be it oral presentations or written work). If there is an overlap of the subject of your assignment with one that you produced for another course (either in the current or any previous semester), you **MUST** inform your professor.

For guidelines on academic honesty, clarification of the definition of plagiarism, examples of procedures and sanctions, and resources to support proper citation, please see:

[NYU Academic Integrity Policies and Guidelines](#)

[NYU Library Guides](#)

Inclusivity Policies and Priorities

NYU's Office of Global Programs and NYU's global sites are committed to equity, diversity, and inclusion. In order to nurture a more inclusive global university, NYU affirms the value of sharing differing perspectives and encourages open dialogue through a variety of pedagogical approaches. Our goal is to make all students feel included and welcome in all aspects of academic life, including our syllabi, classrooms, and educational activities/spaces.

Attendance Rules on Religious Holidays

Members of any religious group may, without penalty, excuse themselves from classes when required in compliance with their religious obligations. Students who anticipate being absent due to religious observance should notify their lecturer and Office of Academic Support in writing via e-mail one week in advance. If examinations or assignment deadlines are



scheduled on the day the student will be absent, the Academics Office will schedule a make-up examination or extend the deadline for assignments. Please note that an absence is only excused for the holiday but not for any days of travel that may come before and/or after the holiday. See also [University Calendar Policy on Religious Holidays](#)

Pronouns and Name Pronunciation (Albert and Zoom)

Students, staff, and faculty have the opportunity to add their pronouns, as well as the pronunciation of their names, into Albert. Students can have this information displayed to faculty, advisors, and administrators in Albert, NYU Brightspace, the NYU Home internal directory, as well as other NYU systems. Students can also opt out of having their pronouns viewed by their instructors, in case they feel more comfortable sharing their pronouns outside of the classroom. For more information on how to change this information for your Albert account, please see the [Pronouns and Name Pronunciation website](#).

Students, staff, and faculty are also encouraged, though not required, to list their pronouns, and update their names in the name display for Zoom. For more information on how to make this change, please see the [Personalizing Zoom Display Names website](#).

Moses Accommodations Statement

Academic accommodations are available for students with documented and registered disabilities. Please contact the Moses Center for Student Accessibility (+1 212-998-4980 or mosescsd@nyu.edu) for further information. Students who are requesting academic accommodations are advised to reach out to the Moses Center as early as possible in the semester for assistance. Accommodations for this course are managed through NYU Florence.

Bias Response

The New York University Bias Response Line provides a mechanism through which members of our community can share or report experiences and concerns of bias, discrimination, or harassing behavior that may occur within our community.

Experienced administrators in the Office of Equal Opportunity (OEO) receive and assess reports, and then help facilitate responses, which may include referral to another University school or unit, or investigation if warranted according to the University's existing Non-Discrimination and Anti-Harassment Policy.

The Bias Response Line is designed to enable the University to provide an open forum that helps to ensure that our community is equitable and inclusive.

To report an incident, you may do so in one of three ways:

- Online using the [Web Form \(link\)](#)
- Email: bias.response@nyu.edu
- Phone: 212-998-2277
- Local Telephone: 055 5007277