

ECON30150: International Money and Banking

This module focuses on the role of the banking system in the economy as well as the roles played by central banks and monetary policy.

Content

The module will have five parts to it:

1. *Money, Banking and Central Banks*

What money is, how banks operate and why they are important, what central banks are and how they create money, the relationship between money and inflation, how central banks control short-term interest rates.

2. *Financial Crises and Banking Regulation*

How banking crises come about, policies to prevent and deal with crises, current issues in banking regulation and crisis prevention.

3. *How Central Banks Influence the Economy*

The term structure of interest rates, default risk and collateral, asset prices, effects of real interest rates on consumption and investment, liquidity traps.

4. *The Limits to Monetary Policy and Central Bank Strategy*

Inflation and the Phillips curve, central bank institutions, goals and strategies, rules for setting interest rates.

5. *Exchange Rate Regimes and the Euro*

The trade-off between control of interest rates and exchange rates, optimal currency areas, the euro crisis.

Course Materials

The key points to remember here are:

1. The main course materials will be my lecture notes, available on my website. Go to www.karlwhelan.com (or type my name into Google) and click on “Teaching”. Alternatively, you can just bookmark the class web page, which is <http://karlwhelan.com/blog/?p=587>

2. I don't use Blackboard apart from to direct you to my website and to load midterm grades.

3. I don't use a textbook. You will find plenty of material to study in the notes and the other readings I provide.
4. I will also regularly refer to papers, speeches and data sources and will provide links to these materials on the course webpage.

Assessment

Your final grade will be based on 30% for a multiple-choice mid-term exam and 70% for a final exam. The midterm is a one hour test that will take place on Tuesday March 6 (Week 7) at 7.30pm in the Blackrock exam centre. Your final grade is calculated by grade point averaging, i.e. your final grade will be determined by a weighted average of the grade point value for your midterm and the grade point value for your final exam. Information on the final exam format will be provided during the first class.

Contacting Me

- Office Hours: 12pm to 1pm on Monday (i.e. after class). My office is room G211 in the Newman Building.
- Email (karl.whelan@ucd.ie) is the best way to contact me with queries or to arrange to meet me outside office hours. I do my best to respond promptly to email queries but if I forget to reply to you, just send your email on again (I won't mind). I don't intend to ignore any of these emails but I am usually very busy so sometimes I don't get around to replying quickly and then forget.