



Teaching Guide

| Identifying Data | | | | 2017/18 |
|----------------------------|---|---------------|--|----------------|
| Subject (*) | Monetary Policy and Financial Systems | Code | 611G01024 | |
| Study programme | Grao en Economía | | | |
| Descriptors | | | | |
| Cycle | Period | Year | Type | Credits |
| Graduate | 1st four-month period | Third | Obligatoria | 6 |
| Language | SpanishGalicianEnglish | | | |
| Teaching method | Face-to-face | | | |
| Prerequisites | | | | |
| Department | Economía | | | |
| Coordinador | Sanchez Santos, Jose Manuel | E-mail | jose.manuel.sanchez@udc.es | |
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| Web | politicamonetariaysistemafinanciero.blogspot.com.es | | | |
| General description | The main objective of this course is to provide an analytical framework to deal with the study of financial institutions, financial instruments and financial markets. Furthermore, the role of central banks in the implementation of monetary policy, in general, and financial stability in particular is also addressed. A series of basic concepts are introduced and developed in order to get a better understanding of processes and elements such as the determination of the price of assets, the structure and functioning of financial markets and the role of monetary policy in the economy | | | |

Study programme competences / results

| Code | Study programme competences / results |
|------|---|
| A1 | CE1- Contribuír á boa xestión da asignación de recursos tanto no ámbito privado como no público. |
| A2 | CE2-Identificar e anticipar problemas económicos relevantes en relación coa asignación de recursos en xeral, tanto no ámbito privado como no público. |
| A3 | CE3-Aportar racionalidade á análise e á descripción de calquera aspecto da realidade económica. |
| A4 | CE4-Avaliar consecuencias e distintas alternativas de acción e seleccionar as mellores, dados os obxectivos. |
| A5 | CE5-Emitir informes de asesoramento sobre situación concretas da economía (internacional, nacional ou rexional) ou de sectores da mesma. |
| A6 | CE6-Redactar proxectos de xestión económica a nivel internacional, nacional ou rexional. Integrarse na xestión empresarial. |
| A7 | CE7-Identificar as fontes de información económica relevante e o seu contido. |
| A8 | CE8-Entender as institucións económicas como resultado e aplicación de representacións teóricas ou formais acerca de cómo funciona a economía. |
| A9 | CE9-Derivar dos datos información relevante imposible de recoñecer por non profesionais. |
| A10 | CE10-Usar habitualmente a tecnoloxía da información e as comunicación en todo a seu desempeño profesional. |
| A11 | CE11Leer e comunicarse no ámbito profesional en máis dun idioma, en especial en inglés. |
| A12 | CE12-Aplicar á análise dos problemas criterios profesionais baseados no manexo de instrumentos técnicos. |
| A13 | CE13-Comunicarse con fluidez no seu contorno e traballar en equipo. |
| B1 | CB1 - Que os estudantes demostren posuir e comprender coñecementos nun área de estudo que parte da base da educación secundaria xeral, e que soe encontrar nun nivel que, aínda que se apoia en libros de texto avanzados, inclúe tamén algúns aspectos que implican coñecementos procedentes da vangarda do seu campo de estudo. |
| B2 | CB2 - Que os estudantes saiban aplicar os seus coñecementos ó seu traballo ou vocación dun xeito profesional e posúan as competencias que se demostran por medio da elaboración e defensa de argumentos e a resolución de problemas dentro da su entorna de traballo. |
| B3 | CB3 - Que os estudantes teñan a capacidade de reunir e interpretar datos relevantes (normalmente dentro da su área de estudo) para emitir xuízos que inclúan unha reflexión sobre temas relevantes de índole social, científica ou ética |
| B4 | CB4 - Que os estudantes poidan transmitir información, ideas, problemas e solucións a un público tanto especializado como non especializado |



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| B5 | CB5 - Que os estudantes desenvolvesen aquelas habilidades de aprendizaxe necesarias para emprender estudos posteriores cun alto grao de autonomía |
| B6 | CG1- Que os estudantes formados se convertan en profesionais capaces de analizar, reflexionar e intervir sobre os diferentes elementos que constitúen un sistema económico |
| B7 | CG2 - Que os estudantes coñezan o funcionamento e as consecuencias dos sistemas económicos, as distintas alternativas de asignación de recursos, acumulación de riqueza e distribución da renda e estean en condicións de contribuír ao seu bo funcionamento e mellora |
| B8 | CG3 -Que os estudantes sexan capaces de identificar e anticipar os problemas económicos relevantes, identificar alternativas de resolución, seleccionar as máis axeitadas e avaliar os resultados aos que conduce. |
| B9 | CG4 -Que os estudantes respecten os dereitos fundamentais e de igualdade de oportunidades, non discriminación e accesibilidade universal das persoas con minusvalidez. |
| C1 | CT1-Expresarse correctamente, tanto de forma oral coma escrita, nas linguas oficiais da comunidade autónoma. |
| C4 | CT2-Desenvolverse para o exercicio dunha cidadanía aberta, culta, crítica, comprometida, democrática e solidaria, capaz de analizar a realidade, diagnosticar problemas, formular e implantar solucións baseadas no coñecemento e orientadas ao ben común. |
| C5 | CT3-Entender a importancia da cultura emprendedora e coñecer os medios ao alcance das persoas emprendedoras. |
| C6 | CT4-Valorar criticamente o coñecemento, a tecnoloxía e a información dispoñible para resolver os problemas cos que deben enfrontarse. |
| C7 | CT5-Asumir como profesional e cidadán a importancia da aprendizaxe ao longo da vida. |
| C8 | CT6-Valorar a importancia que ten a investigación, a innovación e o desenvolvemento tecnolóxico no avance socioeconómico e cultural da sociedade. |

| Learning outcomes | | | |
|--|---------------------------------------|--|----|
| Learning outcomes | Study programme competences / results | | |
| - To demonstrate the crucial role played by a financial system in a modern economy | A2 | | C1 |
| | A3 | | |
| | A4 | | |
| | A8 | | |
| | A11 | | |
| | A12 | | |
| -To analyze the main characteristics (liquidity, profitability and risk) of the financial instruments | A2 | | C1 |
| | A3 | | |
| | A4 | | |
| | A11 | | |
| | A12 | | |
| - To assess the influence of the main determinants of financial assets prices | A2 | | C1 |
| | A3 | | |
| | A4 | | |
| | A5 | | |
| | A7 | | |
| | A11 | | |
| - To know the basic principles that should guide the management of banks | A1 | | C1 |
| | A2 | | C5 |
| | A11 | | C6 |
| | A12 | | |
| -To justify the need for regulation and supervision of financial systems | A2 | | C1 |
| | A11 | | |
| | A12 | | |
| -To know the main channels of influence of monetary policy on the price of the assets traded in the financial markets. | A2 | | C1 |
| | A11 | | |
| | A12 | | |



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| - To be aware of the key role of financial intermediaries in the transmission mechanism of monetary policy | A2 A11 A12 | | C1 |
| - To solve practical cases which require the application of elementary principles of valuation of assets | A2 A11 A12 | | C1 |
| - To use information and relevant data in order to investigate the reality of financial markets and institutions | A10 A11 A12 | | C1 |
| - To diagnose the pace of the monetary policy and the degree of financial pressure facing the private sector of the economy. | A2 A11 | | C1 |
| - To handle documentary sources in English | A11 | | |
| -To show interest in issues related to the fields of study of the monetary policy and financial system | | B6 B9 | C4 C7 C8 |
| -To participate actively in the discussion of the topics addressed in the course syllabus | | B4 B5 | C1 C4 |
| -To cooperate actively in the realization of works using computer | A6 A13 | B8 | C4 |
| -To appreciate the importance of ethical considerations in the development of the professional activity in the financial sector | | B7 | C4 C5 |
| - To evaluate in a critical way the main problems and challenges faced by monetary policy in the euro area | A1 A2 A9 | B1 B2 B3 | C1 |

| Contents | |
|---|---|
| Topic | Sub-topic |
| LESSON 1. FINANCIAL SYSTEM: AN OVERVIEW | <ul style="list-style-type: none"> - Introduction - Financial system: Concept, structure and functions - Financial instruments - Financial markets - Financial institutions |
| LESSON 2. BONDS MARKET AND INTEREST RATES | <ul style="list-style-type: none"> - Introduction - Bond: concept, types, price and yield - The bond market and the determination of interest rates - Why bonds are risky - The term structure of interest rates |



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| LESSON 3. STOCK MARKET | <ul style="list-style-type: none"> - Introduction - Common stock: concept, characteristics and returns - Valuing stocks - The stock market's role in the economy |
| LESSON 4. FOREIGN EXCHANGE MARKETS AND EXCHANGE RATES | <ul style="list-style-type: none"> - Introduction - Currencies and exchange rates: a primer - Determinants of the exchange rates - The central banks intervention in the exchange markets |
| LESSON 5. BANKS AND BANK MANAGEMENT | <ul style="list-style-type: none"> - Introduction - The balance sheet of commercial banks - Basic principles of bank management - Banking regulation |
| LESSON 6. MONETARY POLICY | <ul style="list-style-type: none"> - Introduction - The financial system's role in the monetary transmission mechanism - Monetary policy and assets' inflation - The monetary policy in the Eurozone |

| Planning | | | | |
|---|--------------------------------|--------------------------------------|-------------------------------|-------------|
| Methodologies / tests | Competencies / Results | Teaching hours (in-person & virtual) | Student's personal work hours | Total hours |
| Guest lecture / keynote speech | A1 A2 A3 A4 A8 B7 B9 | 17 | 34 | 51 |
| Problem solving | A2 A5 A6 A7 B2 B1 B3 B4 B5 B6 | 15 | 34 | 49 |
| Case study | A3 A4 A5 A6 A9 A10 A11 A12 A13 | 8 | 24 | 32 |
| Directed discussion | C4 C5 C6 C7 C8 | 2 | 0 | 2 |
| Mixed objective/subjective test | A3 B8 C1 | 2 | 10 | 12 |
| Personalized attention | | 4 | 0 | 4 |
| (*)The information in the planning table is for guidance only and does not take into account the heterogeneity of the students. | | | | |

| Methodologies | |
|--------------------------------|--|
| Methodologies | Description |
| Guest lecture / keynote speech | Oral presentation by the teacher, complemented by the use of audiovisual media and the introduction of some questions to students, in order to transmit knowledge and facilitate learning. |
| Problem solving | Solving concrete practical cases requiring the application of knowledge previously addressed in the classroom. |
| Case study | Description of a specific situation that poses a problem that must be understood, assessed and solved by the student through a process of discussion directed by the teacher. |



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|---------------------------------|--|
| Directed discussion | Group dynamics technique in which group members discuss free, informal and spontaneous way on an issue, although they can be coordinated by a moderator. |
| Mixed objective/subjective test | Written proof used with the aim of evaluating student knowledge, skills and abilities. |

Personalized attention

| Methodologies | Description |
|---|--|
| Guest lecture / keynote speech Case study Problem solving | Addressing and resolving doubts concerning the contents explained in the keynote session or arising in the process of solving practical cases and discussion of cases. small group tutorials were employed . |

Assessment

| Methodologies | Competencies / Results | Description | Qualification |
|---------------------------------|-----------------------------------|--|---------------|
| Case study | A3 A4 A5 A6 A9 A10 A11 A12 A13 | Resolution of practical cases involving the application of principles and concepts previously addressed in the classroom | 10 |
| Mixed objective/subjective test | A3 B8 C1 | <p>The final exam will consist of a single written proof made of theoretical and practical questions in order to to assess the level of knowledge of the student on the contents of the syllabus and developed in the classroom</p> <p>The theoretical part of the exam may include multiple choice questions.</p> <p>In the practical part it will particularly valued the ability to apply the concepts and principles discussed in the classroom to solve practical cases.</p> <p>The score of the final exam is set for a maximum of 7 points.</p> | 70 |
| Problem solving | A2 A5 A6 A7 B2 B1 B3 B4 B5 B6 | Solving exercises in which students will have to apply the theory to solve specific problems. | 20 |
| Others | | | |

Assessment comments

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| <p>Mixed objective/subjective test: In the answers to the questions of the theoretical block requiring to develop a written response, analysis and synthesis skills of the student will be appreciated, in addition to knowledge. In the practical part it will be especially valued the ability to apply the concepts and principles addressed in the theoretical part to solve practical cases. The mixed objective/subjective test score is set on a maximum of 7 points.</p> |
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Sources of information



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| Basic | <ul style="list-style-type: none"> - MISHKIN, F.S. (2014). Moneda, Banca y Mercados Financieros. Pearson - ANDREU, J.M. (2000). Sobre los fundamentos del dinero y la banca. Madrid: Dikinson - ANALISTAS FINANCIEROS INTERNACIONALES (2008). Guía del Sistema Financiero Español. Madrid: Ediciones Empresa Global - BANCO CENTRAL EUROPEO (2005). Burbujas del precio de los activos y política monetaria. Burbujas del precio de los activos y política monetaria, Boletín Mensual del Banco Central Europeo, - PAREJO GAMIR J.A. et al. (u.e.). Manual del Sistema Financiero Español. Barcelona: Ariel - SERVICIO DE ESTUDIOS DEL BANCO DE ESPAÑA (1997). La política monetaria y la inflación en España. Madrid: Alianza Editorial - SERVICIO DE ESTUDIOS DEL BANCO DE ESPAÑA (2005). El análisis de la economía española. Madrid: Alianza Editorial - BANCO CENTRAL EUROPEO (2004). La política monetaria del BCE. Banco Central Europeo |
| Complementary | <ul style="list-style-type: none"> - BALL, L. (2009). Money, Banking and Financial Markets. New York: Worth Publishers - MISHKIN, F.S. (2004). The Economics of Money, Banking and Financial Markets. Londres: Pearson-Addison Wesley - DE GRAUWE, P. (2009). Economics of monetary union. Oxford: Oxford University Press - CECCHETI, S.G. y SCHOENHOLTZ, K. I. (2017). Money, Banking and Financial Markets. Boston: McGraw-Hill |

Recommendations

Subjects that it is recommended to have taken before

Principles of Microeconomics/611G01001
 Principles of Macroeconomics/611G01005
 Economic Policy/611G01013
 Macroeconomics/611G01017

Subjects that are recommended to be taken simultaneously

Statistical Methods and Introduction to Econometrics/611G01019

Subjects that continue the syllabus

International Finance/611G01037
 Financial Intermediaries and Markets/611G01038

Other comments

(*)The teaching guide is the document in which the URV publishes the information about all its courses. It is a public document and cannot be modified. Only in exceptional cases can it be revised by the competent agent or duly revised so that it is in line with current legislation.