



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	
Lecturers	Castellanos Garcia, Pablo Sanchez Santos, Jose Manuel	E-mail	pablo.castellanos@udc.es jose.manuel.sanchez@udc.es	
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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



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 A3 A4 A8 A11 A12		C1
-To analyze the main characteristics (liquidity, profitability and risk) of the financial instruments	A2 A3 A4 A11 A12		C1
- To assess the influence of the main determinants of financial assets prices	A2 A3 A4 A5 A7 A11		C1
- To know the basic principles that should guide the management of banks	A1 A2 A11 A12		C1 C5 C6
-To justify the need for regulation and supervision of financial systems	A2 A11 A12		C1
-To know the main channels of influence of monetary policy on the price of the assets traded in the financial markets.	A2 A11 A12		C1



- 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



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.



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

<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



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.