



Teaching Guide				
Identifying Data				2023/24
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	Obligatory	6
Language	SpanishGalicianEnglish			
Teaching method	Face-to-face			
Prerequisites				
Department	Economía			
Coordinador	Sanchez Santos, Jose Manuel	E-mail	jose.manuel.sanchez@udc.es	
Lecturers	Martín Legendre, Juan Ignacio Pena Lopez, Jose Atilano Sanchez Santos, Jose Manuel	E-mail	juan.ignacio.martin.legendre@udc.es atilano.pena@udc.es jose.manuel.sanchez@udc.es	
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



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		



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



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

### 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
Workbook	A2 A8 A11 C6	0	10	10
Problem solving	A2 A9 A13 B3 B4 C1 C6	10	14	24
Directed discussion	B4 B6 C4 C5 C6 C7 C8	2	0	2
Multiple-choice questions	A2 A4 B1 B5	2	20	22
Supervised projects	A2 A3 A4 A5 A6 A7 A9 A10 A11 A12 A13 B2 B3 C1	5	10	15
Mixed objective/subjective test	A3 B8 C1	2	20	22
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
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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.
Workbook	Set of texts and written documentation that are used as a source of deepening in the contents worked on.
Problem solving	Technique by means of which an attempt is made to solve a specific problematic situation, based on the knowledge that was worked on, which may have more than one possible solution.
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.
Multiple-choice questions	Objective test in which questions are formulated in the form of a direct question, and several options or answer alternatives that provide possible solutions, of which only one of them is valid
Supervised projects	Activity designed to promote students' autonomous learning. It is primarily referred to the learning of "how to do things". It is an option based on the assumption by students of responsibility for their own learning.
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 Supervised projects Workbook	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 .  Individualized tuition will be provided through email, Teams and Moodle.  The Small Group Office hours (TGR), which can be taught in person or online, will be divided into 3 sessions per group, each lasting 1 hour, and it is expected that their programming period will take place around weeks 7 and 13 of the semester.

### Assessment

Methodologies	Competencies / Results	Description	Qualification
Mixed objective/subjective test	A3 B8 C1	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  The theoretical part of the exam may include multiple choice questions.  In the practical part it will particularly valued the ability to apply the concepts and principles discussed in the classroom to solve practical cases.	50
Multiple-choice questions	A2 A4 B1 B5	Objective test in which questions are formulated in the form of a direct question, and several options or answer alternatives that provide possible solutions, of which only one of them is valid. Throughout the course there will be two objective multiple choice tests	20
Supervised projects	A2 A3 A4 A5 A6 A7 A9 A10 A11 A12 A13 B2 B3 C1	Activity designed to promote students' autonomous learning. It is primarily referred to the learning of "how to do things". It is an option based on the assumption by students of responsibility for their own learning.	30
Others			



Assessment comments



## A) EVALUATION REGULATIONS:

1. Conditions for conducting the exams: in the exams it is forbidden to access the classroom with devices that allow communication with the outside and storage of information, unless the design of the test itself so requires (and in this case only this connection with the outside and/or storage of information for the purposes set by the teachers). Entry to the examination room with this type of device may be denied. The use of calculators is also not permitted during the presential exams, unless prior notice has been given to the contrary.
2. Student identification: The student must prove his/her identity in accordance with the applicable regulations .

## B) TYPES OF GRADES

The grade of "not evaluated" corresponds to the student when he only participates in evaluation activities that have a weight less than 20% in the final grade, regardless of the grade reached.

Students who are recognized as part-time or with exemption of attendance will follow the same evaluation system as those who are full time.

## C) EVALUATION OPPORTUNITIES

First opportunity: in the first opportunity may be added to the final grade (continuous evaluation final exam) up to a maximum of one extra point linked to active participation in classrooms and tutorials.

In the mixed exam, which will be carried out in the official call (date of the official calendar of first opportunity, in the answer to the questions of the theoretical block that require to develop a written answer, will be valued especially, in addition to the knowledge, the analysis and synthesis skills of the student. In the practical part, the ability to apply the concepts and principles addressed in the theoretical part to solve practical cases will be especially valued. The score of the test is established on a maximum of 4 points.

Advanced opportunity and second opportunity: On the date and time established in the official academic calendar for the realization of the evaluation test corresponding to the second opportunity, there will be an exam consisting of two parts. On the one hand, a first general part, which represents 50% of the final grade which would be added to the grade obtained by the student in the continuous evaluation process carried out throughout the term. On the other hand, a second specific part for those students who wish to recover the grade corresponding to the tests and activities included in the continuous evaluation programmed and carried out throughout the term (tests, exercises and other evaluable activities). The realization of this specific part will consist of a series of questions, exercises and/or practical cases with which the acquisition of the type of competences required to pass the continuous evaluation tests carried out during the four-month period will be evaluated. This part of the exam allows to reach a maximum of 50% of the final grade. In this way, all the students will be able to reach 100% of the grade in the second opportunity. This same possibility will be given to the students of the advanced opportunity.

Note: the student who takes the specific part of the final evaluation test scheduled for the second opportunity is understood to waive the grade obtained by the completion of the tests and evaluable activities included in the continuous evaluation process developed during the term.

## D) OTHER EVALUATION RULES:

Students with recognition of part-time and academic exemption from attendance: This situation must be notified to the professor at the beginning of the course and a schedule compatible with their dedication will be agreed except in the case of the final tests. In this case, the evaluation criteria will be governed by the performance of a mixed test with a weighting of 100% in the grade. This test will include theoretical and practical questions and the student must demonstrate that he has achieved the competences and learning results of the subject.

Academic fraud: Failing

grade in the call in which the misconduct is committed and with respect to the subject in which it was committed: the student will be graded with

"suspense" (numerical grade 0) in the corresponding call of the

academic year, whether the commission of the misconduct occurs in the first opportunity or in the second one. For this purpose, the student's grade will be modified in the first opportunity act, if necessary.



## Sources of information

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

## 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

1.-The delivery of the documentary works in this subject.a.- It will be requested in virtual format and / or computer support b. It will be done through Moodle, in digital format without the need to print them 2. The importance of ethical principles related to sustainability values in personal and professional behaviours should be taken into account. 3. According to the different regulations applicable to university teaching, the gender perspective must be incorporated in this subject (non-sexist language will be used, bibliography of authors of both sexes will be used, the intervention of male and female students in class will be encouraged...). will be done to identify and modify prejudices and sexist attitudes and will influence the environment to modify them and promote values of respect and equality.&nbsp;4. It will facilitate the full integration of members of the class that for physical, sensory, psychic or sociocultural reasons, experience difficulties to an adequate, egalitarian and profitable access to the university life.

(\*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.