



**East China Normal University
GEC International Summer School**

EC031: Money and Banking

Term: June 16th to July 18th, 2025

Class Hours: Monday through Friday, 110 minutes each day (2,750 minutes in total)

Instructor: Michael Barry

Home Institution: TBD

Office hours: TBD

Email: TBD

Course Description

The objective of this course is to introduce students to the role of money, financial markets, and monetary policy in the economy.

The main components of this course are the role of financial markets, central banking and the conduct of monetary policy, and the role of fiscal and monetary policies in the overall economy. The contents will be discussed mostly in the North American context, but some international events will be addressed wherever necessary.

*Prerequisite: EC011 Introductory Microeconomics, **AND** EC012 Introductory Macroeconomics*

Required Text

The Economics of Money, Banking, and Financial Markets, 12th Global Edition, by Frederic S. Mishkin

ISBN: 9780134733821

Course Hours

The course has 25 class sessions in total. Each class session is 110 minutes in length, for a total of 2750 minutes of in-class time. The course meets from Monday to Friday. ECNU awards 3 credits for this course. Different universities



may count course credits differently. Consult officials at your own home institution.

Attendance

Summer school is very intense and to be successful, students need to attend every class. Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. ECNU policy requires a medical certificate to be excused. Any absence may impact on the student's grade. Moreover, ECNU policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.

Grading Policy

ECNU awards grades of A, A-, B+, B, B-, C+, C, D, and F. Most colleges and universities do not award transfer credit for grades of D or F.

In this course, grading will be based on the following:

Attendance & Participation	10%
Term Paper	15%
In-class Exercises*3	10%*3=30%
Midterm Exam	20%
Final Exam	25%

General Expectations

Students are expected to:

- Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade.
- Arrive to class on-time: Late arrivals are disruptive to your fellow students and to the conduct of the class.
- Complete the day's required reading and assignments before class
- Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading
- Refrain from texting, phoning or engaging in computer activities unrelated to class during class (不要用手机) It is highly disrespectful to



the professor and to the class.

- Participate in class discussions and complete required written work on time.

Course Schedule

The planned schedule sketched out below may be modified to suit the interests or abilities of the enrolled students or to take advantage of special opportunities or events that may arise during the term.

Week 1

- *Day 1*
 - *Course outline*
 - *Why Study Money, Banking, and Financial Markets? (Chapter 1)*
 - *Defining Aggregate Output, Income, the Price Level, and the Inflation Rate (Appendix to Chapter 1)*
- *Day 2*
 - *An Overview of the Financial System (Chapter 2)*
 - *What is Money? (Chapter 3)*
- *Day 3*
 - *The Meaning of Interest Rates (Chapter 4)*
 - *The Behavior of Interest Rates (Chapter 5)*
- *Day 4*
 - *The Risk and Term Structure of Interest Rates (Chapter 6)*
- *Day 5*
 - *In-class Exercise 1: Interest Rates*

Week 2

- *Day 1*
 - *The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis (Chapter 7)*
- *Day 2*
 - *Financial Crises in Advanced Economies (Chapter 12)*
 - *Financial Crises in Emerging Economies (Chapter 13)*
- *Day 3*
 - *Central Banks (Chapter 14)*
 - *The Money Supply Process (Chapter 15)*
- *Day 4*



- *Midterm Review Session*
- *Day 5*
 - *Midterm Exam, covering chapters 1-7 & 12-15*

Week 3

- *Day 1*
 - *Tools of Monetary Policy (Chapter 16)*
 - *The Conduct of Monetary Policy: Strategy and Tactics (Chapter 17)*
- *Day 2*
 - *The Foreign Exchange Financial System (Chapter 18)*
- *Day 3*
 - *The International Financial System (Chapter 19)*
- *Day 4*
 - *Quantity Theory, Inflation, and the Demand for Money (Chapter 20)*
- *Day 5*
 - *In-class Exercise 2: Foreign Exchange Financial System*

Week 4

- *Day 1*
 - *The IS Curve (Chapter 21)*
- *Day 2*
 - *The Monetary Policy and Aggregate Demand Curves (Chapter 22)*
- *Day 3*
 - *The Monetary Policy and Aggregate Demand Curves (Chapter 23)*
- *Day 4*
 - *Monetary Policy Theory (Chapter 24)*
- *Day 5*
 - *In-class Exercise 3: Monetary Policy*

Week 5

- *Day 1*
 - *The Role of Expectations in Monetary Policy (Chapter 25)*
- *Day 2*
 - *Transmission Mechanisms of Monetary Policy (Chapter 26)*
- *Day 3*
 - *Term Paper Workday*
- *Day 4*
 - *Final review session*
- *Day 5*



- *Final exam, cumulative*
- *Term paper due*

Academic Honesty

Students are expected to maintain high standards of academic honesty. Specifically, unless otherwise directed by the professor, students may not consult other students, books, notes, electronic devices or any other source, on examinations. Failure to abide by this may result in a zero on the examination, or even failure in the course.