

Course
Money and Financial Institutions

Academic Year: 2015/2016

Semester: 2nd

Instructor(s): Sandra Gomes
TA: Joana Garcia

Course Description:

This course covers issues related to the functioning of the financial system, with a special focus for the role of banks, and also to the role and functions of money nowadays. The role and functions of the central bank will be discussed as well as some features of the operationalization of monetary policy. The related issue of regulation will also be studied. The course discusses financial crisis, with particular emphasis to the recent financial crisis and the policy responses to the crisis. Significant emphasis will be given to the use of data in the study of the issues covered.

Course Content:

- I. Money and the Financial System
- II. Financial intermediaries
- III. Central banks
- IV. Regulation
- V. Financial crisis

Course Objectives:

Students will gain a strong understanding of the functioning of the financial system and the role of money. Students will be able to discuss the importance of banks, namely in the modern European financial system, and will understand the role and functioning of central banks. Students will also be able to discuss the need for regulation of the financial system. Students will be able to discuss the origins of financial crisis, in particular in the latest financial crisis and to discuss the developments seen in the last few years in terms of the policy responses to the crisis, the evolution of the financial system architecture in Europe, the developments in terms of regulation, among other topics of special relevance nowadays. Throughout all the course special attention will be given to the use of data related to the issues covered and as such, by the end of the course, students will be able to collect and understand the use of data related to the issues covered.



Grading:

The final grade will be an average of the grades on two mandatory mid-term exams (each with 45% weight) and the continuous evaluation (10% weight). Continuous evaluation depends on the participation in classes and any additional work required (such as quizzes, problem sets, etc). According to the rules below, students may also be eligible to take a final exam.

We reserve the right to, if deemed necessary, adjust the final grade of a student in +/- 1 point (all grades referred here are out of 20 and rounded).

Students that comply with all of the following criteria don't have to take the final exam:

1. Final grade ≥ 10
2. Grade in each of the mid-term exams ≥ 8
3. Average grade of the two mid-term exams ≥ 9

Students can only take the final exam if the average grade of the two mid-term exams is ≥ 7 . The final exam is mandatory for those that did not reach a final grade ≥ 10 .

Bibliography:

Lecture notes and other material that will be referred to in classes.

Any of these two books covers several of the course topics:

Frederic S. Mishkin "The Economics of Money, Banking and Financial Markets" (The Pearson Series in Economics), 11th Edition (2015)

Cecchetti, S. and Schoenholtz, K., "Money, Banking and Financial Markets" (McGraw-Hill/Irwin), 4th Edition (2014)

Biography:

Sandra Gomes holds a PhD in Economics (UL/ISEG), a Master in Economics (UNL/FCEE) and an undergraduate degree in Economics (UTL/ISEG). She works in the Economics and Research Department of the Banco de Portugal, in the Monetary Policy Division. Her research interests are in monetary and international economics and DSGE modelling and estimation. [Webpage link.](#)

Contact(s) and Office hours:

By appointment.

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