

**Course Profile - Department of Economics**

Course Number : <b>ECO 312</b>	Course Title : <b>Monetary Economics</b>
Required / Elective : <b>Required</b>	Prerequisites : ECO202 (Macroeconomics)
Catalog Description: Actors of financial sectors. Central Banks and Federal Reserve System. Commercial banks. Bank and non-bank financial institutions. Theories of money. Analysis of money supply and demand. Definition and calculation of money supply. Reserve money. Monetary base and central bank money. Calculation of money stock. Money demand. Theories of money demand. Money market equilibrium. Interest rates formation. Interest rate and financial analysis. Money and income. Monetary transmission mechanism.	Textbook / Required Material : <u>The Economics of Money, Banking and Financial Markets</u> , by F. Mishkin.
Course Structure / Schedule : 3+0+0 / <b>6 ECTS</b>	
<p>Extended Description : This course is designed to provide students with an understanding of the functioning of the financial markets, the foreign exchange markets, and the role of monetary economy in the economy. Students also will have acquired the key points in interpreting monetary policy and its transmission mechanism with emphasis on the role of central banking.</p> <p>Week</p> <p>1 Ch 1: Why Study Money, Banking and Financial Markets</p> <p>2 Ch 2: An Overview of the Financial System</p> <p>3 Ch 3: What's Money?</p> <p>4 Ch 4: Understanding Interest Rates</p> <p>5 Ch 5: The Behavior of Interest Rates</p> <p>6 Mid-term exam review, Mid Term</p> <p>7 Ch 7: Theory of Rational Expectations and Efficient Capital Markets</p> <p>8 Ch 8: An Economic Analysis of Financial Structure</p> <p>9 Ch 11: Economic Analysis of Banking Regulation</p> <p>10 Ch 14: The Structure of the Central Banks</p> <p>11 Ch 16: Determinants of Money Supply</p> <p>12 Mid-term exam review, Mid Term</p> <p>13Ch 17: Tools of Monetary Policy</p> <p>14 Ch 18: Conducts of Monetary Policy : Targets and Goals</p>	
Design content : None	Computer usage: Not necessary
<p>Course Outcomes:</p> <p>By the end of this course, students will be able to:</p> <ol style="list-style-type: none"> <li>1. Comprehend growth, inflation, interest rates and foreign exchange rates in Turkish economy</li> <li>2. Criticise and interpret current and past fiscal and monetary policies and other (academic) work that analyze main economic issues.</li> <li>3. Preparing reports which evaluate the economy on sectoral and macro bases; assessing critically the publications related to the economy; prepare and present the findings effectively in a presentation.</li> </ol>	
Recommended reading: (None)	

Teaching methods: Lecture, In class discussions

Assessment methods:

Term Paper: 10%

Midterms: 40 %

Final Examination: 50%

Contribution of Course Learning Outcomes to Program Outcomes

	Program Outcomes	Level of Contribution*				
		1	2	3	4	5
1	To comprehend fundamental economic concepts, to be able to utilize those in main economic problems, avoid mistakes as employee, employer, consumer and citizen due to common misconceptions regarding fundamental economic concepts					
2	To comprehend growth, inflation, interest rates, foreign exchange rates, foreign investments and foreign trade in Turkish economy					x
3	Acknowledging that there exist different schools of thought in the discipline of economics and appreciating, for example, that there may be differences of opinion about the role of the state in economic life					
4	Understanding the set/matrix of relations in the global world economy and the role of international organizations within these relation;and also analyzing the costs and benefits of mutual dependence among countries.					
5	Apprehending the professional and ethical responsibilities, recognizing the importance and implications of occupational security					
6	Apply statistical methods, calculus and similar methods in data analysis, Comprehend problems on humanities and social sciences and make inferences on solutions					
7	Recognize the diversity in cultures, belief systems and life styles, question information using logical induction and deduction					
8	Ability to model the equilibrium dynamics in markets, analyze, abstract, synthesize and interpret information					
9	The ability to work, take initiative and lead in multidisciplinary teams					
10	Effective communication skills by using written, verbal and visual tools					
11	The ability to recognize life long education and participate in it as a student as well as an educator			x		
12	Preparing reports which evaluate the economy on sectoral and macro bases; assessing critically the publications related to the economy; being capable of identifying the dynamics of and following the developments in the market, stock exchange markets, exchange rate markets, supply and demand; collecting and analyzing data on different fields of economics and interpreting them using statistical and econometric techniques and required software programs; equipping with good skills of presenting the findings; efficient note taking; asking the necessary questions to achieve, utilize and transfer information.				x	
13	Apprehending the role and importance of environment and environmental sustainability					

Level of Contribution* 1= Least 5 = Highest		
Student Workload/ECTS (European Credit Transfer System) Tableau:		
Activity:	Number:	Total Workload (hour):
Prereadings	17	52
Lectures	48	48
Term paper	1	35
Exams	3	15
<b>TOTAL 150/25 = 6 ECTS</b>		
Prepared by : BS		Revision Date : 28.06.2013