

Macro-Financial Economics

Course Name	Course section (credit/hours)		Elective course(3/3)		course code	I122
	course item				course component	
	Target students Division/major/grade				opening semester	2021 1ST SEMESTER
	Class time and classroom		Mon B(Da406)Thu B(Da406)		English Grade	A(100%English)
Reference to this course	Credit compositon		Theory(0) + Design(0) + Practice(0)			
	Prerequisite courses		Principles of Economics			
	Related basic courses		Financial Management			
	Recommanded concurrent courses		Macroeconomics, Money and Banking			
	Related advanced course		Financial Economics			
Instructor	Name (title/division)		Yoo, Jae-in(Associate Professor, Financial Engineering)			
	Office Room Number	다산관407-1호	Extension Number	3670	e-mail	janeyoo@ajou.ac.kr
	Office hour			Homepage address		
Teaching Assistant	Name (title/division)					
	Office Room Number		Office phone Number		e-mail	

1. Course Introduction

The main objective of this course is to provide the core concepts about the economics of money, banking, and financial markets. We focus on finance, covering the interest rates, monetary market and policy mechanism. We also discuss a representative agents optimization problem based on his intertemporal choice. To understand the role of monetary authority including the Bank of Korea and the Federal Reserve, the course introduces the IS-LM model and the open-macro market. In this course, we also have a comprehensive discussion of monetary theory including searching & matching and monetary & fiscal policies. The chapter on the subprime mortgage crisis is included for us to learn a series of events that have completely changed the structure of the financial system and the way central banks operate. Along with the discussion on financial crises, the course provides a quick introduction to futures, options, and (credit default, exchange rate) swaps. Finally, we learn on the determination of exchange rates that has always been challenging for some students.

2. Course Objectives & course outcome

Over the course, we go through chapters that lead us to understand interest rates, their behaviors, risks, and the term structure of interest rates. We also devote some classes for central banking system and the money supply process before studying international finance and monetary policy. At the end of the semester, the student will be able to provide an overview of the financial system, to explain the value of money and to use simple models to explain investors decision, in their intertemporal problem in particular. Our discussion may include the economic events of the past few years, such as the problems in the subprime mortgage crisis and European financial crises. At the end of the final section, the student will understand the the interest rate, exchange rate, monetary policies and their impacts on macroeconomy.

3. Class types and activities

I will use Blackboard extensively during the semester and will post announcements, lecture notes, and newspaper articles. Also I will post sample exams with answers to help with your exam preparation. We are covering many of the chapters in the book. Among a lot of materials and, over the course of the semester, I will be specific about what materials is subject to examination. The homework assignment is designed to ensure that students know how to access and graph basic macroeconomic/financial data and interpret financial information from various sources.

4. Teaching Method

- | | |
|---|---|
| <input checked="" type="checkbox"/> lecture | <input checked="" type="checkbox"/> discussion and debate |
| <input checked="" type="checkbox"/> team project(presentation and case studies) | <input type="checkbox"/> experiments(role-playing,etc) |
| <input type="checkbox"/> designing and production | <input type="checkbox"/> on-site learning(on-site training) |
| <input type="checkbox"/> others | |

5. Support Systems in Use

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> AjouBb | <input checked="" type="checkbox"/> automatic recording system | <input type="checkbox"/> web-based assignment |
| <input type="checkbox"/> cyber lecture | <input checked="" type="checkbox"/> online content | |
| <input type="checkbox"/> class behavior analyzing system | <input type="checkbox"/> others | |

6. Teaching Tools

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> PBL(Problem Based Learning) | <input checked="" type="checkbox"/> CBL(Case Based Learning) | <input checked="" type="checkbox"/> TBL(Team Based Learning) |
| <input type="checkbox"/> UR(Undergraduate Research) | <input type="checkbox"/> FL(Flipped Learning) | <input type="checkbox"/> DSAL(Data Scienced Active Learning) |
| <input type="checkbox"/> others | | |

7. Evaluation method of course outcome

Evaluation Item	The Number of Times	Evaluation Proportion	Remarks
Attendance	14	5	
midterm exam	1	25	
final exam	1	35	
quiz			

7. Evaluation method of course outcome

Evaluation Item	The Number of Times	Evaluation Proportion	Remarks
presentation			
discussion	5	25	A comprehensive discussion on macroeconomic news articles
homework	3	10	Problem sets (3 in total)
etc			
study hours			

8. Textbook and Reference material

Main/Sub	Title	Writer	Publisher	Publication year
Main	The Economics of Money, Banking & Financial Markets for Business School	Frederic S. Mishikin	Addison Wesley	2016
Sub	Macroeconomics Policy and Practice	Frederic S. Mishikin	Pearson	2016
Ref.	알기쉬운 경제지표 해설	한국은행	한국은행 통계국	2016

9. Class system and Class shedule

Lectures, Real problem applications, and discussion will be provided. All materials and exams will be in English (However, students may discuss and answer questions in ENGLISH OR KOREAN.). The course will be held in half online half offline – 50% attend offline classes and the other 50% will attend online live class through live streaming. The class environment is to be announced in the first class. ATTENDING THE FIRST CLASS IS ESSENTIAL! The system changes are upon COVID-19 pandemic.

< Schedule >

* language : K-korean, E-English

Weeks	Title of lecture	language	time distribution(minutes)			Teaching Method	evaluation method
			theory	design	experiment practice		
1	An Overview of Financial System	E	3			Online	
2	Money, Credit, Wealth, and Income	E	3			Online	
3	Intertemporal Choice and Interest Rates	E	3			Online + Offline	
4	The Risk and Term Structure of Interest Rates	E	3			Online + Offline	
5	Bond, Stock, Option, Credit Default Swaps	E	3			Online + Offline	

< Schedule >

* language : K-korean, E-English

Weeks	Title of lecture	language	time distribution(minutes)			Teaching Method	evaluation method
			theory	design	experiment practice		
6	Central Banks and the Federal Reserve System	E	3			Online + Offline	
7	The Money Supply Process	E	3			Online + Offline	
8	Midterm	E	3			Online	
9	The Tools of Monetary Policy & Some Derivatives	E	3			Online + Offline	
10	Monetary and Fiscal Policy in the ISLM Model	E	3			Online + Offline	
11	Aggregate Demand and Supply Analysis	K/E	3			Online + Offline	
12	Transmission Mechanisms of Monetary Policy	E	3			Online + Offline	
13	Financial Crisis and Financial Regulation	E	3			Online	
14	The Foreign Exchange Market	E	3			Online	
15	The International Finance System	E	3			Online + Offline	
16	Final Exam	E	3			Online	

10. Contribution index of the course for attaining ABEEK program outcomes

course outcome	contribution scale
No Data	

11. Analysis of improved matters for the previous semester

13. Reference items

--