



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Finance II	Confirmed on May 15, 2024

Academic staff	Core academic unit(s)
Coordinating: Dr. Junghum Park Other:	Faculty of Economics and Business Administration

Study cycle	Type of the course unit
First (Bachelor's)	Compulsory

Mode of delivery	Semester or period when it is delivered	Language of instruction
Face-to-face (lectures, classroom tutorials) and self-study	Semester 4	English

Requisites	
Prerequisites: Mathematical Methods and Statistical Theory, Finance I	Co-requisites (if relevant): none

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	36	94

Purpose of the course unit

This course aims to introduce students to the theory and practice of banking and monetary economics. Students will be introduced to key financial and monetary concepts, the balance sheets of commercial banks and central banks and the financial structure of modern economies, namely the three largest countries in the Eurozone, the UK and the US. Students will learn about financial crises, why they occurred and why they had such devastating consequences on the economy. In particular, students will get deeper understanding of the global financial crisis of 2007-2008. At the end of the course students will be able to discuss the economics of banking, referring to the structure of balance sheets of commercial banks and central banks and relevant problems of information asymmetry. Students will be able to analyze the motives for financial regulation and its effects and the purpose/advantages of conventional and unconventional monetary policies.

Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
1. Have acquired knowledge in classical and modern theories of finance and is able to apply them when analyzing finance problems.	Lectures and lecture notes, tutorials.	Written midterm exam (10%) Homeworks (30%) Written final exam (60%) Optional referee report (10%)
2. Appreciate the possibilities and the limits of scientific research methods when solving economic problems.	Reading academic literature, class presentations and tutorials.	
3. Construct complex arguments and communicate them in a clear manner through written, graphical, and oral forms.	Writing an essay, presentations in tutorials.	

Content	Contact hours							Individual work: time and assignments	
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	Contact hours, total	Individual work	Tasks for individual work
1. Risk and Term Structure of Interest Rates; Stock Market	4	2					6	18	
2. Economics of Financial Structure	4	2					6	12	
3. Banking and the Management of Financial Institutions	2	2					4	10	
4. Financial Crises and the Subprime Meltdown	4	2					6	22	
5. Economics of Financial Regulation	2						2	8	
6. Goals and Structure of Central Banks and the Money Supply Process	4	2					6	12	
7. Tools, Strategies and Tactics of Monetary Policy	4	2					6	12	
Total	24	12					36	94	

Assessment strategy	Weight %	Deadline	Assessment criteria
Midterm Exam	10%	After roughly one half of the course	Written exam held before a lecture or tutorial. Potentially, a mixture of multiple choice questions and open questions that require calculations or concise answers.
Homework	30%	In Feb, April, and May	Identical to exams
Final Exam	60%	In May	Written exam held in May. A collection of exercises that require calculations or concise answers to open questions and multiple choice questions. Midterm, homeworks and final exams shall be assessed in the following way: - over 95%, or excellent: 10; - over 85%, or very good: 9; - over 75%, or good: 8; - over 65%, or fair: 7; - over 55%, or satisfactory: 6; - over 49%, or poor: 5. Under 49%, or unsatisfactory: 4, 3, 2, 1
Optional Referee Report	10%	In May	

Author (-s)	Publishing year	Title	Issue of a periodical or volume of a publication	Publishing house or web link
Required reading				
Mishkin, Frederic, S., Kent Matthews and Massimo Giuliodori (MMG)	2013	The Economics of Money, Banking, and Financial Markets	European Edition (First Edition)	Pearson
Greenbaum, S.I., A.V. Thakor, and A.W.A. Boot	2019	Contemporary Financial Intermediation	Fourth Edition	Elsevier
Recommended reading				

Walsh, C. E.	2003	Monetary theory and policy	2nd edition	MIT Press
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