

ECON 6720-5001, Spring 2017  
 Central Banking and the Financial System  
 MWF 9:30AM - 10:20AM, Business Admin Annex 1008

**Administrative Details****Instructor:** Dr. Zheng Zeng**Office:** BA 316**Phone:** (469)372-8397**E-mail:** [zzeng@bgsu.edu](mailto:zzeng@bgsu.edu)**Office Hours:** MW 12:20 – 1:30 pm and by appointments**Text**

The course materials will include journal articles (see a list at the end of this syllabus), as well as everything discussed in class, slides/handouts, news articles and any other documents provided.

**Course Description**

This course will familiarize students with the role of central banks in the world's leading economies, provide an advanced examination of how monetary policy interacts with financial intermediaries with special emphasis on real events, and introduce statistical techniques in financial econometrics and macro-econometrics.

**Evaluation and Grading**Group Presentations— **20%**Individual Reports— **40%**Final Project— **40%**

<b>A</b>	90% -100%	<b>B</b>	80% - 89%	<b>C</b>	70% - 79%
<b>D</b>	60% - 69%	<b>F</b>	0 – 59%		

- **Group Presentations**
  - The class is divided into two groups randomly.
  - Students are free to organize the presentation however they want.
  - Students must submit presentation slides.
- **Individual Reports**
  - A report should include a summary of the paper, what you like most about the paper, and your comments and critique on the paper.
  - A report should not be longer than 5 pages.
  - The student with the highest score on their report in each group gets to choose one classmate to be part of their group for the next round of presentations. All other group members are assigned randomly.

- **Final Project**
  - It should be a group project with no more than 2 members. Students are responsible for choosing their partner.
  - Each group needs to come up with a topic for the project. It can either be your own topic, a replication of a paper that you are interested in, or an extended study of any existing case study in the literature. Once you come up with a topic, you need to get my approval before you start working on it.
  - The whole project for each group must include:
    - A paper, including data and program files. (28%)  
Feel free to use other software that you feel comfortable with.
    - A 20 to 30-minute presentation, including presentation slides (10%)
    - A one-page summary of your comments on projects of the other groups. (2%)  
You will be judged according to the questions that you ask during their presentations and your comments submitted afterwards.
  - The projects will be evaluated by the instructor only. A group contribution form will be signed by all members and submitted to me along with the paper.

**Excused Absences for University Extracurricular Activities:** Students participating in an officially sanctioned, scheduled University extracurricular activity should be given the opportunity to make up class assignments or other graded assignments missed as a result of their participation. It is the responsibility of the student to make arrangements with the instructor prior to any missed scheduled examination or other missed assignment for making up the work.

**Honor Code:** All work undertaken and submitted in this course is governed by the University's honor code. If any student is unclear about the University's honor policy – either in general or its particular application in this course – please contact your instructor immediately. Students who submit assignments that are word-for-word identical in any portions will be considered as cheating.

**Course Outline (subject to change)**

<b>Basic Asset Pricing</b>	
Consumption Based Model	
CAPM	
<b>Banking</b>	
Basic banking stuff and financial crisis	
Bank liquidity and regulation	
Bank capital and regulation	
Banks and macroeconomic activity	
<b>Central Banking</b>	
<b>Conventional Monetary Policy</b>	Introduction of Central Banks
	Monetary Policy and the Fed's control
	Inflation risk and inflation targeting
	Transmission Mechanism of Monetary Policy
<b>Post-Crisis Monetary Policy</b>	Zero Lower Bound
	The Shadow Rate