1. **Title of the module**

ECON8410 (EC841) Money and Credit

1. **School or partner institution which will be responsible for management of the module**

School of Economics

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 7

1. **The number of credits and the ECTS value which the module represents**

*15 credits (7.5 ECTS)*

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Autumn

1. **Prerequisite and co-requisite modules**

None

1. **The programmes of study to which the module contributes**

This is a compulsory module for the:

* MSc Financial Economics
* MSc Economics

and optional in:

* MSc Quantitative Finance and Econometrics
* MSc International Finance and Economics
* MSc Economics and Econometrics

1. **The intended subject specific learning outcomes.  
   On successfully completing the module students will be able to:**
   1. Systematically and comprehensively understand the roles of debt finance in the modern economy
   2. Critically understand and assess the roles of money in the modern economy
   3. Be able to explain complex interactions between firms and banks' financial structures in macroeconomic crises
   4. Critically understand the implementation of monetary policy
   5. Demonstrate deep understanding of the importance of conflicts of interest in finance
2. **The intended generic learning outcomes.  
   On successfully completing the module students will be able to:**
   1. Proficiently apply advanced economic models to analyse complex and controversial issues in finance
   2. Skilfully utilize modern computing resources to access and acquire financial data from all available sources
   3. Build informed opinion on advanced topics with high level of abstraction and develop convincing argumentation
3. **A synopsis of the curriculum**

Money and credit perform a range of crucial functions in market economies. This module studies the microeconomic foundations of money and credit, and the roles played by money and credit markets in contributing to macroeconomic growth, fluctuations and crises. Throughout the module, we also consider the roles of government institutions including central banks and financial regulators within modern markets for money and credit. The module makes use of theoretical models to aide understanding and analyse policy. These models are motivated by and tested against historical and contemporary evidence, with students performing a selection of these tests using modern financial programming tools. While the core features of money and credit have remained stable for centuries, innovation in these markets does play important roles for economic growth and business cycles. At the end of the course, we study some of the more important developments in modern money and credit markets, including securitisation as well as the range of innovations collectively referred to as digital money.

1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

*Core reading*

* Freixas, Xavier and Jean Rochet. The Microeconomics of Banking, 2nd Edition, vol. 1, 2 ed. MIT Press, 2008.

*Recommended reading*

* Sargent, Thomas and Francois Velde. The big problem of small change. Princeton University Press, 2003.
* Wallace, Neil. The Mechanism-Design Approach to Monetary Theory. In: Benjamin M. Friedman & Michael Woodford (ed.), Handbook of Monetary Economics, 1st Edition, Volume 3, Chapter 1. North Holland, 2010.

This list will be augmented by articles from journals including the *American Economic Review, Econometrica*, the *Journal of Political Economy*, the *Review of Economic Studies*, the *Journal of Finance* and the *Journal of Financial Economics* among others.

1. **Learning and teaching methods**

Total contact hours: 30

Private study hours: 120

Total study hours: 150

1. **Assessment methods**
   1. Main assessment methods

Problem sets: 20%

Examination (2 hours): 80%

13.2 Reassessment methods

Reassessment Instrument: 100% exam

1. ***Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)***

| **Module learning outcome** | *8.1* | *8.2* | *8.3* | *8.4* | *8.5* | *8.6* | *9.1* | *9.2* | *9.3* |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |  |
| *Private Study* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| *Lectures* | **x** | **x** | **x** | **x** | **x** | **x** | **x** |  |  |
| *Seminars* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| **Assessment method** |  |  |  |  |  |  |  |  |  |
| *Problem sets* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| *Exam* | **x** | **x** | **x** | **x** | **x** | **x** | **x** |  | **x** |

1. **Inclusive module design**

The School recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

*Canterbury*

1. **Internationalisation**

The module deals with fundamental principles according to which money markets operate worldwide.

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**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
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Revised FSO Jan 2018