

20ECC014: Economics of the Financial System

This module is principally taught by School of Business and Economics

Module details

Module Leader	Prof M Giulietti
Long Title	Economics of the Financial System
Distance Learning	None
Credit Weighting	20
Sensitive Content	
Exam Weight %	75
Coursework Weight %	25

Module instance details (including semester changes)

Instance Number	Instance Start Date	Delivery Start Date	Delivery End Date	Delivery Period
1	28/09/2020	28/09/2020	16/06/2021	Semesters One and Two

Pre requisites and co requisites

Pre requisite modules

ECA001 + ECA002 or ECA501 or ECA502

Other pre requisites

Co requisites

Excluded combinations

Availability

Module is available to students meeting pre-requisites but only if listed in their Programme Specifications.

Accessibility

Accessibility

C. Does not use methods which are likely to present difficulties for students with disabilities

Accessibility information

Module aims and content

Aims

The aims of the module are (1) to enable students to understand the key theoretical and analytical issues involved in the financial system; (2) to apply this analytical framework to the business of financial institutions and markets; (3) to review the changing economics of financial firms; (4) to gain an understanding of current issues in the financial system; (5) to consider the causes, consequences and regulatory responses to the global financial crisis.

Contents

Nature and functions of a financial system; Key concepts in finance; Information problems and their solutions; Financial institutions and markets; Financial intermediation; Micro structure of financial markets; Economics of the financial firm; Management of risk; Securitisation; Financial innovation and financial instruments; credit derivatives; nature and causes of the banking and financial crisis; policy responses to the crisis; theory and practice of financial regulation.

Module learning outcomes

Knowledge and Understanding

- A01: Nature and functions of a financial system, financial institutions and markets; the nature, form and theory of financial intermediation; the economics of the financial firm; micro structure of financial markets; management of risk; credit rationing; theory of the banking firm; information theory; financial innovation; financial and derivative instruments: swaps, forwards, options; the business models of banks; the nature and causes of the global financial crisis; the theory and practice of financial regulation

Subject-Specific - Cognitive Skills

- B01: students should be able to analyse the theoretical basis of financial intermediation, and the role of financial institutions and markets; understand the role of financial institutions and markets in the financial system; have further developed their skills in economic analysis; skills in interpreting current affairs in finance; be able to apply elementary financial analysis to developments in the financial system, be able to assess the practical significance of trends in the financial system; be able to evaluate public policy interventions in the financial system; be able to analyse the nature and significance of financial innovation; be able to understand trends and the reason behind trends in the financial system; and most especially, the nature, causes and implications of the financial crisis.

Subject-Specific - Practical Skills

There are no module learning outcomes defined for this category.

Key Transferable Skills

- D01: students should have acquired skills in understanding issues in theoretical economics and financial analysis; skills in interpreting current affairs in finance; have further developed their skills in analysing complex problems; have further developed their written communication skills.; be able to critically assess media comment on banking and financial issues; be able to assess the nature of banks business strategies; understand the role of regulation. Students should also have developed a critical approach to analysis of developments in financial markets.

Teaching and learning

Activity	Hours	Comments
Guided independent study	160	
Lecture	40	20 in each semester.
Total	200	

Expected hours of student effort:

200

Teaching and learning text

Students will learn through lectures, directed reading and current topical material distributed as and when appropriate during the module.

Private Study should comprise guided reading and preparation associated with lectures; student self directed learning in the subject area of the module; preparation and production of assessed coursework; examination preparation and revision.

Assessment

This information relates to the default instance of the module:

Assessment Code	Assessment Title	Weight (%)	Assessment Type	Exam Semester	Exam Length	Coursework Length	SAP Availability	Chronological Order
S1CW	Semester 1 - Essay, 2,000 words	25	Coursework	N/A	N/A		Yes, can be reassessed in SAP	0
S2E	Semester 2 - Exam	75	Exam	2	2 hrs		Yes, can be reassessed in SAP	0

Assessment text

Module feedback

Feedback given to students in response to assessed work

Individual written feedback on coursework;
Generic written feedback on examinations

Developmental feedback generated through teaching activities

Contact: IT.Services@lboro.ac.uk