

MONEY AND FINANCE INSTITUTIONS

Academic Year: **2013/2014**

Semester: **2nd**

Instructor(s): Ana Canhoto

Jordi Martins

Course Description:

This course provides an overview of the role of money and financial institutions in an economy.

Course Content:

- I. Introduction: Money and the Financial System.
 1. The role of the financial system in the economy.
 2. The Portuguese Financial Accounts.
- II. The Financial Institutions and the Portuguese Financial System.
 1. Introduction.
 2. The Portuguese Financial System.
 3. Risks in financial intermediation (interest rate risk, credit risk, liquidity risk).
 4. Regulation and supervision of financial institutions.
- III. Money.
 1. Definition and functions of money.
 2. Monetary aggregates.
 3. The Central Bank and the money offer process.
 4. The demand for money



Course Objectives:

At the end of the course, students should be able to:

- Understand the important role played by financial institutions in the economy and the specific nature of banking activity, particularly in terms of risks and the need for regulation.
- Students should also be familiar with the process of money creation and the contribution of banks to this process.

Finally, this course should give students an overview of the Portuguese financial system and its position within the European financial system.

Grading:

Mid-term written exam: 40%

End of semester written exam: 40%

Group work: 20%

Bibliography:

- Casu, Barbara, Girardone, Claudia and Molyneux, Philip, "Introduction to Banking", Prentice Hall; 1st edition (2006)
- Frederic S. Mishkin, "*Economics of Money, Banking and Financial Markets: the European Edition*", Pearson Education Limited; 2013
- Bessis, Joel, "*Risk Management in Banking*", John-Wiley & Sons, Inc, 3^a edição, 2010.
- Saunders, Anthony and Marcia Cornett, "*Financial Institutions Management: a Risk Management Approach*", Irwin/McGraw-Hill, 7^a edição, 2010
- Cecchetti, Stephen G. "*Money, Banking and Financial Markets*", McGraw-Hill International, 3^a edição, 2010
- Dermine, Jean, 2009, "Bank Valuation & Value Based Management: Deposit & Loan Pricing Performance Evaluation & Risk", Mc Graw Hill



Biography:

Ana Canhoto holds a Ph.D. Degree in Economics from Universidade Católica Portuguesa (Thesis: “*Efficiency and Competition in Portuguese Banking: an Empirical Investigation*”). Her research focus is on Banking and Financial Institutions. She has been teaching several courses (on Quantitative Methods, Introductory Economics, Macroeconomics, Microeconomics, Money and Banking etc.) at Católica Lisbon School of Business and Economics. Ana Canhoto is now Senior Associate Dean for Undergraduate Education at Católica Lisbon.

Contact(s) and Office hours:

Contact(s) and Office hours:

Mail: apc@ucp.pt

Office 5402: 4th floor of Católica Lisbon