

**Yıldız Technical University
The Institute of Social Sciences
PhD in Economics Programme**

Course Name	Code	Regular Semester	ECTS Credits	Credits	Lecture	3
					Application	0
MONEY AND FINANCIAL THEORY	Eco 7107			3	Laboratory (Hour/Week)	0
Course Language	Turkish					
Compulsory or Elective	Elective					
Instructor	Prof. Dr. Gülsün Yay					
Course Contents	Theoretical Analysis of Monetary and Financial Markets and Institutions					
Course Objectives	The Discussion on Subjects of Money and Financial Theory, in Advance Level					
Course Outcomes (The knowledge and the skills that the student will gain at the end of the course)	The students will have knowledge on Monetary and Financial Theory and will gain the skills of discussing on these subjects.					
Textbook	Carl Walsh, Monetary Theory and Policy, 2001, MIT F. Mishkin and G. Eakins, Financial Markets and Institutions, Addison-Wesley, 1998 T. H. McInish, Capital Markets : A Global Perspective, 2000, Blackwell					
Additional References	Various Articles on Subject					
Prerequisite Courses	-					
Prerequisite Subjects	-					
Homework/Project	1 Term Paper					
Laboratory						
Computer Applications						
Additional Practices						
Course Evaluation Criteria			Number	Effective Proportion %		
	Midterm Exams		1	20		
	Quiz					
	Homework					
	Term Projects					
	Term Papers		2	40		
	Laboratory					
	Other					
	Final Exam		1	40		
Division of Course Credit	Basic Sciences					

(%)	Basic Engineering and Departmental Core Courses		
	Departmental Core Courses		
	Social Sciences		

Course outline	Week	Topics
	1	An Overview of the Monetary and Financial Systems
	2	Money Supply Process and Monetary Policy : Endogeneity of Money Supply Changes in the in the Monetary Base
	3	Monetary Policy Strategies : Inflation Targeting
	4	Discussion of Rules versus Discretionary Policies Taylor Rule : Forward Looking Policy Rules for Monetary Policy Policy Rules for Open Economies
	5	Interest Rates Determinations The Risk and Term Structure of Interest Rate Exchange Rates and Interest Rates
	6	The Theory of Portfolio Allocation: Models of Capital Market Asset Pricing
	7	The Theory of Efficient Capital Markets
	8	Financial Markets I :Money and Capital Markets
	9	Financial Markets II : The Foreign Exchange Markets; The Mortgage Markets
	10	The Theory of Financial Structure: Transaction Cost, Asymmetric Information, Principal-Agent Problems
	11	Financial Institutions : Banking Sector and Its Problems Financial /Banking Crises
	12	Risk Management in Banking Sector Banking Regulation
	13	Financial Derivatives: Forward, Futures
	14	Financial Derivatives : Options, Swaps