

EC248-2-SP – Course Introduction  
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## Monetary Innovations and Central Banks

Alexander Mihailov  
University of Essex

## Lecturer

- **education**
  - BSc/Diploma, U of National and World Economy, Sofia, 1991
  - MSc, U of Lausanne, 1998
  - PhD, U of Lausanne, 2004
- **experience**
  - Bulgarian National Bank, Sofia, 1991 – 1996
  - *St. Kliment Okhridski* U of Sofia, 1994 – 1997 (part time)
  - U of Lausanne, 1998 – 2003
  - U of Essex, 2003 – to date
  - City U, London, 2005 – to date (visiting lecturer)
- **website:** U of Essex Econ Dept + (link to) personal website
  - e-mail: [mihailov@essex.ac.uk](mailto:mihailov@essex.ac.uk)
  - research interests, working papers, publications
  - teaching preferences, courses taught/assisted

## Course organisation

- **lectures:** Monday, 1:00 – 2:50 pm, Room: LTB 9
- **classes:** Wednesday, 9:00 – 9:50 am, Room: LTB 9
- **readings**
  - **essential:** Mishkin (2004, 7<sup>th</sup> ed.); Howells & Bain (2004, 4<sup>th</sup> ed.)
  - **supplementary & background:** (Fraser,) Gup & Kolari (200(1/4), (2<sup>nd</sup>/)3<sup>rd</sup> eds.), Rose & Hudgins (2005, 6<sup>th</sup> ed.), Goodhart (1988, 2<sup>nd</sup> ed.)
- **course website:** U of Essex online resources
  - lecture **slides** (used as **handouts**)
  - **term paper titles** and **example questions**
  - some **journals**, with links to their websites (for the ambitious)
  - links to other related **websites** (for the curious)

## Why attend lectures?

- **overall perspective:** lecturer will
  - order information, organise literature ⇔ **structure**
  - build up step by step, guide through stages ⇔ **signposting**
  - explain concepts/theories in simple(r) words ⇔ **reduction**
- **personal contact:** lecturer will
  - express own point of view
  - invite questions/opinions
- **social event:** common interest, equal coverage
- attendance **not substitute** for books and learning

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## Course overview

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1. Money, Banking and the Financial System: An Introduction
2. Financial Markets: Determinants and Role of Interest Rates
3. Financial Intermediation: Rationale, Competition, Regulation
4. Central Banking and the Supply of Money
5. The Demand for Money and Monetary Theory
6. Formulation and Implementation of Monetary Policy
7. Commercial Banking: From Deposit/Lending to Risk Management
8. Financial Innovations: Off-Balance Sheet Activities of Banks
9. Financial Innovations: Nonbank Finance and Electronic Money
10. Money, the State and the Trend toward Cashlessness