

FIN-512 Money and Banking



UNIVERSITY OF NICOSIA ΠΑΝΕΠΙΣΤΗΜΙΟ ΛΕΥΚΩΣΙΑΣ

Course Code	Course Title	ECTS Credits
FIN-512	Money and Banking	10
Department	Semester	Prerequisites
Finance	Fall/Summer/Spring	None
Type of Course	Field	Language of Instruction
Required	Finance	English
Level of Course	Year of Study	Lecturer(s)
2 nd Cycle	1 st	Dr. Charles W. Evans
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FIN-512	Money and Banking	10

Objectives of the Course:

The main objective of the course is to provide a critical study of money and banking, as related and possibly applied to digital currencies.

The main topic areas include:

- 1/Money and Money Supply / Money Supply in Digital Currencies
- 2/The Fractional Reserve System and Money Creation
- 3/Demand for Money and Rate of Interest
- 4/Central Banking and Regulation / Disruptive Features of Digital Currencies
- 5/Monetary Policy / The Role of Policy in a Distributed Financial System World.

Learning Outcomes:

Upon completion of this course, students are expected to be able to:

1. Read and understand scholarly articles and reports on monetary matters.
2. Critique articles and opinions of others with theory-based arguments.
3. Write theory- and evidence-based articles and reports on money and banking.
4. Carry out analysis of published secondary data.
5. Apply money and banking concepts to digital currencies.

Learning Activities and Teaching Method:

Lectures, Asynchronous Discussions, Readings, Peer Review

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Assessment Methods:

Quizzes, Research Project, Final Exam

Course Contents:

1. History of Money
2. Forms of Money and Classification of Various Digital Currencies
3. Functions of Money and Digital Currencies' Fulfillment of Those Roles
4. Relevance of Digital Currency to Aggregate Output, Money Supply, and Price Levels

5. The Banking System as Financial Intermediary and Disintermediation through Digital Currencies, Crowdfunding, Democratic Cooperatives
6. Money Creation through the Fractional Reserve System and Its Role and Relevance vis-à-vis Digital Currencies
7. Demand for and Supply of Money: Parallel Constructs in Digital Currencies
8. Rate of Interest and LIBOR: Parallel Constructs in Digital Currencies
9. Time-Value of Money: Parallel Constructs in Digital Currencies
10. The Role of the Central Bank, Central Banking, and Digital Currencies
11. Monetary Policy vs. Algorithmic Monetary Policy (deflation, PoS money generation, etc.)
12. Exercise: Constructing a Digital Currency Based Monetary System

REQUIRED READINGS

- Bank for International Settlements (2015), *Digital Currencies*, Committee on Payments and Market Infrastructures Report.
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- Berta, Michael A. and Willow W. Noonan (2015), "The Property-Contract Duality of Bitcoin," *Financier Worldwide* June. Available at:
www.financierworldwide.com/the-property-contract-duality-of-bitcoin/
- Bitcoin Wiki (2015), "Category: History," *Bitcoin Wiki* [Website]. Available at:
<https://en.bitcoin.it/wiki/Category:History>
- Brito, Jerry and Andrea Castillo (2013), *Bitcoin: A Primer for Policymakers*, Fairfax, VA: Mercatus Center.
Available at: <http://mercatus.org/publication/bitcoin-primer-policymakers>
- Cronin, David (2012), "The New Monetary Economics Revisited," *Cato Journal* 32(3), 581-594.
Available at:
<http://object.cato.org/sites/cato.org/files/serials/files/catojournal/2012/12/v32n3-7.pdf>
- Easterbrook, Frank H. (1996), "Cyberspace and the Law of the Horse," *1996 University of Chicago Legal Forum*, 207-216.
Available at: http://chicagounbound.uchicago.edu/journal_articles/1148/
- El-Gamal, Mahmoud Amin (2006), "Overview of Islamic Finance," *Occasional Paper No. 4*, Office of International Affairs. [Online]
Available: http://www.theiafm.org/publications/274_Islamic_Finance.pdf
- Evans, Charles W. (2015a), "Bitcoin in Islamic Banking and Finance," *Journal of Islamic Banking and Finance* 3(1), 1-11.
Available at: <http://jibfnet.com/vol-3-no-1-june-2015-abstract-1-jibf>
- (2015b), "The Blind Economists and the Elephant: Bitcoin and Monetary Separation," *Southwestern Journal of Economics* 10(1), 106-122.
Available at: <https://swje.files.wordpress.com/2015/10/southwestern-journalof-economics-finalxx1.pdf>

- Graef, Jean (2010), "IT Neologisms: Necessary but Dangerous," *Customizing and Governing the SharePoint Search System*. Available from the *Montague Institute Review* (January) at:
<http://www.montague.com/abstracts/neologisms.html>
- Grinberg, Reuben (2011), "BitCoin: An Innovative Alternative Digital Currency," *Hastings Science & Technology Law Journal* 4, 159-208. Available at:
<http://hstlj.org/articles/bitcoin-an-innovative-alternative-digital-currency/>
- Hasan, Maher and Jemma Dridi (2010), "The Effects of the Global Crisis on Islamic and Conventional Banks: A Comparative Study," *IMF Working Paper No. 10/201*. [Online]
 Available: <http://www.imf.org/external/pubs/cat/longres.aspx?sk=24183.0>
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 Available at: <http://cyber.law.harvard.edu/works/lessig/finalhls.pdf>
- Levy, Steven (1994), "E-Money (That's What I Want)," *Wired* 2.12 (December). Available at: <http://archive.wired.com/wired/archive/2.12/emoney.html>
- Menger, Carl (1892), "On the Origin of Money," *Economic Journal* 2, 239–255. Available at: <http://www.monadnock.net/menger/money.html>
- Moore, Winston and Jeremy Stephen (2015), "Should Cryptocurrencies Be Included in the Portfolio of International Reserves Held by the Central Bank Of Barbados?" Central Bank of Barbados Working Paper WP/15/16.
 Available at:
http://www.centralbank.org.bb/Portals/0/Files/Working_Papers/2015/Should%20Cryptocurrencies%20be%20included%20in%20the%20Portfolio%20of%20International%20Reserves%20held%20by%20the%20Central%20Bank%20of%20Barbados.pdf
- Nakamoto, Satoshi (pseud.) (2008), "Bitcoin: A Peer-to-Peer Electronic Cash System," White Paper, 1-9.
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- Rooney, Ben (2011), "Women and Children First: Technology and Moral Panic," *Wall Street Journal* 11 July.
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 Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2666243
- World Bank (2012), "Three Quarters of the World's Poor Are 'Unbanked'," *Data & Research* (19 April), Washington DC: World Bank. [Online]
 Available: <http://go.worldbank.org/72MAKHBAM0>

RECOMMENDED SUPPLEMENTAL READINGS

Faure, A.P. (2013), *Banking: An Introduction*, London: BookBoon.

Available at: <http://bookboon.com/en/banking-an-introduction-ebook> Faure, A.P.

(2013), *Bond Market: An Introduction*, London: BookBoon.

Available at: <http://bookboon.com/en/bond-market-an-introduction-ebook> Faure,

A.P. (2015), *Interest Rates: An Introduction*, London: BookBoon.

Available at: <http://bookboon.com/en/interest-rates-an-introduction-ebook> Faure,

A.P. (2015), *Financial Institutions: An Introduction*, London: BookBoon. Available at:

<http://bookboon.com/en/financial-institutions-an-introduction-ebook>

Faure, A.P. (2013), *Financial System: An Introduction*, London: BookBoon.

Available at: <http://bookboon.com/en/financial-system-an-introduction-ebook>

Faure, A.P. (2013), *Money Creation: An Introduction*, London: BookBoon.

Available at: <http://bookboon.com/en/money-creation-an-introduction-ebook>

Faure, A.P. (2013), *Money Market: An Introduction*, London: BookBoon.

Available at: <http://bookboon.com/en/money-market-an-introduction-ebook>