THE JOHNS HOPKINS UNIVERSITY
MS PROGRAM IN APPLIED ECONOMICS
440.641.51: Financial intermediation and financial markets

Class information
Summer 2014, Mondays 6:00PM – 8:45PM
Lecture dates: May 12, 2014 – August 18, 2014, additional makeup lecture TBD
Project due date: August 23, 2014

Instructor
Javed Ahmed
Email address: jahmed3@jhu.edu
Office hours: available before and after class, email for appointment

Course description
This course examines why financial intermediaries exist, how they co-exist with financial markets, and how they have been forced to switch from accepting deposits and making loans to using derivatives to manage risk. It also discusses how risk management differs between bank-based and market-based economies and analyzes the economic consequences of financial market imperfections, especially for credit market equilibrium and rationing. We will consider theories of bank runs and systemic risk; and address how financial systems and governments can cope with financial crises, financial fragility, and credit market frictions. Prerequisites: 440.601 Microeconomic Theory and Policy; 440.606 Econometrics.

Required texts

Additional articles as assigned

Grading
Midterm: 20%
Final: 20%
Participation and assignments: 15%
Project (including proposal): 45%

Exams
There will be one midterm (June 30th) and one final (August 17th), held in class. Please notify me as soon as possible of any conflicts, accommodation may be possible.

Attendance
Attendance will be measured indirectly via course participation, which can improve your grade.