

NAME OF THE COURSE		MONETARY FINANCE				
Code	ECS409	Year of study	1.			
Course teacher	Mario Pečarić, Full Professor Paško Burnač, Associate Professor	Credits (ECTS)	6			
Associate teachers	Paško Burnač, Associate Professor Dujam Kovač, Assistant Professor	Type of instruction (number of hours)	L	S	E	F
			26		26	
Status of the course	Mandatory	Percentage of application of e-learning	30%			
COURSE DESCRIPTION						
Course objectives	Study: (a) Fundamental categories of monetary finance - money, loans and interest; (b) the institutional aspects of the monetary and financial system; (c) monetary policy.					
Course enrolment requirements and entry competences required for the course	Prerequisites are issued in the Statute of the Faculty of Economics and Regulations on Study and Learning					
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<p>The course learning outcome:</p> <p>1. Critically evaluate the importance of the monetary economy in the today's economy. (Level 6)</p> <p>Individual learning outcomes:</p> <p>1. Critically evaluate the role of money and credit in the economy as well as the processes of creating and nullifying money (6th level)</p> <p>2. Review the theoretical views on interest rates and types and the role of interest rates in the economy (6th level)</p> <p>3. Identify institutional relationships of the monetary and financial system (level 6)</p> <p>4. Review the theoretical views on monetary policy and compare its instruments and channels (6th level)</p> <p>5. Evaluate Monetary Policy Strategies (Level 6)</p>					
Course content broken down in detail by weekly class schedule (syllabus)	Lectures		Exercises			
	Topic	Hours	Topic	Hours		
	Financial phenomenology	2	Historical overview of monetary systems	2		
	Theoretical definition of money	2	Functions of money	2		
	Measuring money - monetary aggregates	2	Measuring money - monetary aggregates: practical examples	2		
	Money in international payments	2	Money in international payments: practical examples	2		
	Definition and determinants of credit and its role in economy	2	Definition and determinants of credit and its role in economy: practical examples	2		
	Monetary-credit multiplication	2	Monetary-credit multiplication: practical examples	2		
	Debt securities	2	Debt securities: practical examples	2		
	Market interest rate	2	Market interest rate: practical	2		

2024/2025

05/11/24 – 3. Sj. FV

			examples			
	Theories of interest rates – differences in interest rates	2	Theories of interest rates – differences in interest rates: practical examples		2	
	Banking	2	Banking: practical examples		2	
	Money market, Capital market	2	Money market, Capital market: practical examples		2	
	The Theoretical Aspects of Monetary and Credit Policy	2	The Practical Aspects of Monetary and Credit Policy		2	
	Monetary - credit policy and instruments	2	Monetary - credit policy and instruments: practical examples		2	
Format of instruction	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input checked="" type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work			<input checked="" type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)		
Student responsibilities	The requirements to get the right to take the final exam: regular attendance (for full-time students: minimum 50% of lectures and 50% of exercises; for part-time students: half of the conditions defined for full-time students).					
Screening student work ( <i>name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course</i> )	Class attendance	1	Research		Practical training	
	Experimental work		Report		Self-evaluation tests	
	Essay		Seminar essay		(Other)	
	Tests	5*	Oral exam		(Other)	
	Written exam	5	Project		(Other)	
Grading and evaluating student work in class and at the final exam	During the semester, two written mid-term exams will be organized. All students enrolled in the course are eligible to take the first mid-term exam. A passing grade on the first mid-term exam is required to take the second mid-term exam. The final grade from the midterms will be the average of the (passing) grades obtained on both mid-terms exams. Alternatively, students can achieve a grade through the written exam during the examination period.					
	Grading thresholds and corresponding grades for the written exams of the course: 0-59% insufficient (1) 60-69% sufficient (2) 70-79% good (3) 80-89% very good (4) 90-100% excellent (5)					
	Through active participation in class, a student can earn up to 10% of the total grade.  *A student who achieves at least 60% of the points on each of the midterms does not need to take the final written exam.					
Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media	
	Nikolić, N. i Pečarić, M.: Uvod u financije, University			10		

	of Split. Faculty of Economics, Split, 2012.		
	Authorized lectures and teaching materials on Merlin (script and lecture notes)		Merlin
	De Grauwe, P: Economics of Monetary Union, Oxford University Press, 2020.	3	
Optional literature (at the time of submission of study programme proposal)	<p>Textbooks:</p> <p>Nikolić, N. i Pečarić, M.: Osnove monetarne ekonomije, Naklada Protuđer, Split, 2007.</p> <p>Krugman, P., Obstfeld, M., Melitz, M.: International Finance- Theory and Policy, Pearson, 2018.</p> <p>Articles:</p> <p>Šimić, V., Burnać, P. (2018): How effective is the interest rate channel in the prospective euro area members?, Proceedings of the International scientific conference: Economic Integration- Theory, Cooperation and Perspective, Integrations reforms and business challenges, April 6-7, 2017., Zagreb, Croatia, editors: Kandžija, Vinko i Kumar, Andrej, publisher: Libertas International University and Association for European Community Studies in BiH, Zagreb-Mostar, 2018., 237-249, ISBN: 978-953-8061-12-7 (Libertas), ISBN: 978-9926-8164-1-4 (ECSA, BiH)</p> <p>Other sources:</p> <p>Croatian National Bank, Regular Publications (CNB Bulletins, Bulletin of Banks, Annual Reports ...)</p> <p>Eurostat</p>		
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> <li>• Class attendance records and documentation about students' results in fulfilling their obligations (lecturer)</li> <li>• Class management surveillance (Vice Dean for Education and student affairs).</li> <li>• Study efficacy analysis of all study courses (Vice Dean for Education and student affairs).</li> <li>• Student poll on lecturer and class efficacy for each study course (University of Split, Quality Improvement Center)</li> <li>• All course learning outcomes are to be verified by the course teacher during the exam. Exam content is being validated on regular basis in order to evaluate the appropriateness of means of examining the learning outcomes (Vice Dean for Education and student affairs).</li> </ul>		
Other (as the proposer wishes to add)	Experts from financial practice will be invited on the lectures or exercises according to the relevance of specific topic.		