
MONEY & BANKING in TURKEY

Course Instructor:

Assist. Prof. Dr. Volkan HACIOĞLU,
Office: The Department of Economics, Central Campus
E-mail: volkanh@istanbul.edu.tr

Course Time: Thursday, 09.00-11.50, Room#D2

Office Hours: Tuesday & Friday 15.00-17.00

Instruction Materials:

- Lecture notes & some additional materials will be distributed in the classroom.

Course Aims:

This course aims to introduce the theoretical and institutional framework within which monetary policy is conducted. To this end, this course will provide students with a detailed understanding of the key elements of the financial system in Turkey, namely financial markets, financial institutions, central bank and monetary policy instruments. By focusing on the importance and the role of Central Bank and on the complex interactions between financial markets and financial institutions, this course will give students the tools and knowledge they need to understand these links and apply their findings to real world applications. This course will also provide the theoretical and practical background information about the sources and consequences of financial crisis.

Learning Objectives:

Upon successful completion of the course, the student should be able to understand the main elements, structure and functioning of the financial system. Students are expected to display an understanding of news and reading articles relating to monetary policy. This course also aims to develop students' abilities to work in the financial and banking sector and become familiarized with techniques relating to interest rates.

Course Assessment:

There will be two exams in each semester—a midterm exam and a final exam in each of which three to four questions will be asked. One of them may be an essay question. Scores of assessment will be graded out of 100 points and equally distributed for each question unless otherwise indicated. Enclosed please find a sample page of exam paper.

Course Attendance:

Attendance is compulsory by the University regulations. An attendance list will be checked in for every course and in particular it will be reflected as sentiment of the instructor on the overall assessment of exam papers. Students are supposed to attend all the lectures.

Course Contents:

- Week 1:** Introduction to Money and Banking in Turkey
Week 2: Central Banks: A Global Perspective
Week 3: Structure and Independence of the Central Bank of Turkey
Week 4: The Money Supply Process

Week 5: *M I D T E R M E X A M S (3 – 10 March 2017)*

- Week 6:** Tools of Monetary Policy
Week 7: The Conduct of Monetary Policy: Strategy and Tactics
Week 8: The Conduct of Monetary Policy in Turkey
Week 9: The Structure of Financial System in Turkey
Week 10: Banking Industry in Turkey
Week 11: Other Financial Institutions in Turkey
Week 12: Development of Banking Sector in Turkey
Week 13: An Economic Analysis of Banking Industry in Turkey
Week 14: Banking Industry and Financial Crisis
Week 15: Economic Analysis of Financial Regulation in Turkey

F I N A L E X A M S (22 May – 2 June 2017)

“MONEY & BANKING IN TURKEY”**SAMPLE PAGE of FINAL EXAM**

Q1- Explain the Turkish Financial System and describe the specific banks that perform specific functions in this system. (35 points)

Q2- Define the concept of “large exposure” in terms of banks’ liabilities and abilities to operate in the credit market. (35 points)

Q3- Discuss the role and function of Banking Regulation and Supervision Agency (BRSA) in financial system of Turkey. (30 points)

Time allowance: 50 min.