

# Enquire Teaching Timetable

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## Course Outcome

### ECON 3580 - Emerging Financial Markets of China

#### Learning Outcome

1. Gain a basic understanding of China's financial system
2. Understand how China's institutional landscape shapes her financial system
3. Comprehend how China's financial developments impinge on the global economy
4. Learn the skills and tools in doing research on issues related to China's financial system

#### Course Syllabus

1. Financial Structure of China: An Overview
2. From Financial Repression to Liberalization: Opportunities and Challenges
3. Financial Regulatory Framework of China
4. The People's Bank of China and Monetary Policy
5. Banking Sector: Problems and Restructuring
6. International Finance – Renminbi Exchange Rate
7. International Finance – Capital Account Liberalization
8. Stock Market

#### Assessment Type

	Assessment Type	Current Percent
1	Essays	25
2	Essay test or exam	75

#### Feedback for Evaluation

Course and teaching evaluation at end of course  
 Informal feedback channels throughout the course (tutorial, face-to-face, email, WebCT)  
 Departmental retreat  
 Programme review

#### Required Readings

##### Lecture Notes

Modigliani, Franco and Shi Larry Cao (2004), "The Chinese Saving Puzzle and the Life-Cycle Hypothesis," Journal of Economic Literature, Vol. XLII, (March) 145-170.

Franklin, Allen, Jun Qian and Meijun Qian (2008), "China's Financial System: Past, Present, and Future." In T. Rawski and L. Brandt (Eds.), China's Great Economic Transformation: Origins, Mechanisms, and Consequences of the Post-Reform Economic Boom, Cambridge University Press.

Franklin, Allen, Jun Qian and Meijun Qian (2005), "Law, Finance, and Economic growth in China," Journal of Financial Economics, 77, 55-116.

- McKinnon, Ronald I. and Huw Pill (1997). "Credible Economic Liberalization and Overborrowing," American Economic Review, May, 189-193.
- Hellman, Thomas F., Kevin C. Murdock and J.E. Stiglitz (2000), "Liberalization, Moral Hazard in Banking, and Prudential Regulation: Are Capital Requirements Enough?" American Economic Review, March, 147-165.
- Green, Stephen (2004), "Socialist Market Regulation," in The Development of China's Stock Market, 1984-2002, pp. 193-207.
- Lardy, Nicholas (1998), China's Unfinished Revolution. Washington: Brookings Institution, Chapters 2, 3 and 4.
- Dobson, W. and A. K. Kashyap (2006), "The Contradiction in China's Gradualist Banking Reform," Brookings Papers on Economic Activities, 2, 103-162.
- Bonin, John and Yiping Huang (2001), "Dealing with the Bad Loans of the Chinese Banks," Journal of Asian Economics, 12, 197-214.
- Ong, L. (2006), "The Political Economy of Township and Government Debt, Township Enterprises and Rural Financial Institutions in China," China Quarterly, 186, 377-400.
- McKinnon, Ronald I. (2007), "Why China Should Keep Its Dollar Peg," International Finance, Vol 10, no. 1, 43-70.
- Goldstein, M. (2004), "Adjusting China's Exchange Rate Policies" Institute for International Economics.
- Kose, Ayhan, Eswar Prasad, K. Rogoff, Shang-Jin Wei and (2007), "Financial Globalization: Beyond the Blame Game," Finance and Development, Volume 44, Number 1.
- Green, Stephen (2004), The Development of China's Stock Market, 1984-2002. London ; New York : Routledge, 2004.

### Recommended Readings

- Mishkin, F. (2006), The Next Great Globalization, Princeton University Press, chapter 2.
- Tsai, Kellee S. (2002), Back-alley banking : private entrepreneurs in China. Ithaca, N.Y.: Cornell University Press, chapter 2.
- Lardy, Nicholas (2008), "Financial Repression in China," The Peterson Institute for International Economics, Policy Brief , 08-8.
- Mishkin, Frederic S. (2009), "Globalization and Financial Development," Journal of Development Economics, 89(2), 164-169.
- Heilmann, Sebastian (2005), "Regulatory Innovation by Leninist Means: Communist Party Supervision in China's Financial Industry," China Quarterly, 181, 1-25.
- Goodfriend, M. and Eswar Prasad (2006), "A framework for independent monetary policy in China," IMF Working Paper WP/06/111.
- People's Bank of China. China Monetary Policy Report, latest issue.
- Mishkin, F. and S. G. Eakin (1998), "Conduct of Monetary Policy: Tools, Goals, and Targets," chapter 24 in Financial Markets and Institutions. Addison-Wesley.
- Yong, Guo (2002). Banking Reforms and Monetary Policy in the People's Republic of China : Is the Chinese Central Banking System Ready for Joining the WTO? New York: Palgrave Macmillan, Chapter 1.
- Roubini, N. (2007), "Why China Should Abandon Its Dollar Peg,," International Finance, Vol 10, no. 1, 71-89.
- Eichengreen, B. (2006), Global Imbalances and the Lessons of Bretton Woods. Cambridge, Mass.: The MIT Press, chapter 1.
- Fischer, Stanley (2001), "Exchange Rate Regimes: Is the Bipolar View Correct?" Finance and Development, Vol. 38, No. 2.
- Reinhart, C. (2000), "The Mirage of Floating Exchange rate," American Economic Review, May, 65-70.
- Dobson, Wendy and P.R. Masson (2009), "Will the Renminbi become a world currency?" China Economic Review, 20: 124-135.
- Eichengreen, Barry (2009), "The Dollar Dilemma," Foreign Affairs, 88(5):53-68.
- Stiglitz, Joseph E. (2004). "Capital-Market Liberalization, Globalization, and the IMF," Oxford Review of Economic Policy, 20(1), 57-71.
- Walter, Carl E. and Fraser J.T. Howie (2003). Privatizing China. Singapore: Wiley (Asia).

