

Advanced Banking

Infos pratiques

- > ECTS : 3.0
- > Nombre d'heures : 33.0
- > Langue(s) d'enseignement : Anglais
- > Niveau d'étude : BAC +5
- > Période de l'année : Enseignement neuvième semestre
- > Méthodes d'enseignement : En présence
- > Forme d'enseignement : Cours magistral et Travaux dirigés
- > Ouvert aux étudiants en échange : Oui
- > Composante : Sciences économiques, gestion, mathématiques et informatique
- > Code ELP : 4EgBMAVI

Présentation

The course addresses the following questions:

- Why do banks exist?
- How does the loan market work?
- Why and how should banks be regulated?
- Systemic risk in the banking sector: definition, measurement, evolution and regulation
- The role of market discipline

Topics covered: The role of financial intermediaries, the lender-borrower relationship, credit market rationing, competition in the banking sector, the regulation of banks, regulatory failures and the 2007-2009 financial crisis, macroprudential regulation, market discipline.

Program

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| Lecture 1 | Introduction |
| Lecture 2 | Banks as liquidity providers |
| Lecture 3 | Banks as delegated monitors |
| Lecture 4 | Design of a Loan Contract |
| Lecture 5 | Credit Rationing |
| Lecture 6 | Bank Competition |
| Lecture 7 | Relationship Banking |

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| Lecture 8 | The regulation of banks: why and how? |
| Lecture 9 | Regulatory failures and the Global Crisis |
| Lecture 10 | Systemic risk and contagion |
| Lecture 11 | The regulation of systemic risk |
| Lecture 12 | Market Discipline |

Objectifs

We will develop simple theoretical models with information asymmetry and review the recent empirical literature on bank stability and regulation. The objective of this class is to get a better understanding of the role of banks in the economy, highlight the sources of fragility of the banking sector and discuss regulatory responses.

Évaluation

30% written mid-term -average grade of 3 out of 6 home-works

70% final written exam

- Closed book
- No electronic device
- One hour

Prise en compte de la situation sanitaire :

Si, pour tenir compte de la situation sanitaire, des restrictions ou des contraintes sont imposées à l'Université Paris Nanterre ou à l'UFR SEGMI, tout ou partie des épreuves, contrôles de connaissances et examens terminaux de la session 1 et de la session 2, ainsi que des sessions de rattrapages, pourront se dérouler en mode distancié.

Pré-requis nécessaires

Intermediate microeconomics

Intermediate econometrics

Compétences visées

At the end of the course, you should be able to understand the functioning of these models and be able to analyze and interpret banking data.

Examens

written exam

Bibliographie

Freixas, X. and J.C. Rochet. "Microeconomics of Banking", MIT Press, second edition

Degryse, H., M. Kim and S. Ongena. "Microeconometrics of Banking", Oxford University Press

Various scientific papers