

Banking and Financial Intermediation

Teacher: Guillaume Vuilleme

Duration: 24 hours

Number of ECTS credits: 4

Education Level	Period	Language of instruction	Max. Staffing	Teaching Mode
Master	S1	English	25	in-person

Deanship Department: Finance

Domain: Finance and Economics

Track: Financial Economics

Keywords: Economics, Finance, Policy

SYNOPSIS

This course is an introduction to the theory and the empirics of banking, financial intermediation and financial crises. The goal is to establish close mappings between theories of banking and empirical tests. After introducing classical models, attention is paid to recent topics (e.g. financial crises, securitization, monetary policy, regulation).

DETAILED DESCRIPTION

Prerequisites:

Basic courses in microeconomics, macroeconomics and econometrics are strongly advised.

Course overview:

The goal of the course is to provide a solid understanding of the role of banks and other intermediaries in the economy. A particular attention is also paid to financial crises. At the end of the course, students should be familiar both with major theories as well as with important stylized facts. Standard identification issues in banking, and how to address them, should also be known.

Course organization:

Session 0. Introduction

Session 1. Banks as delegated monitors

Session 2. Liquidity creation, bank runs and deposit insurance

Session 3. Information-insensitive debt and funding dry-ups

Session 4. Adverse selection and information frictions

Session 5. Industrial organization of banking

Session 6. Central banks and monetary policy transmission

Session 7. Bank regulation

Session 8. Banks versus markets

TEACHING MATERIALS

Books:

There are no required readings. Readings will be provided in class.

Digital Resources:

Slides are distributed by email.

TEACHING METHODS

The course will be based on lectures, with interactions (questions) from the class.

WORK AND EVALUATIONS

Work requested:

This is a course that requires careful work on each of the lessons.

Assessment of achievement:

Tool/method of evaluation	Duration	Weight % in the final grading
Home assignment		1/3
Final exam	2 hours	2/3

Additional details: Auditing accepted and attendance mandatory

BIOGRAPHY



Guillaume Vuilleme is associate professor of Finance at HEC Paris. He received a PhD in economics from HEC Paris.

He teaches corporate finance in various programs at HEC Paris: MBA, Executive MSc in Finance, PhD program, Grande Ecole, Master in Economics, and the PhD program.

His research in banking, corporate finance, financial regulation and economic history has been published in the world's leading academic journals in finance.

WAIVER POLICY

None