

**MASTER OF SCIENCE IN WEALTH MANAGEMENT**  
**MAÎTRISE UNIVERSITAIRE EN GESTION DE PATRIMOINE**

**MICROECONOMICS OF BANKING (S413052)**

Prof. Jean-Charles ROCHET

6 ECTS

Semester: Spring

Teaching language: English

**Course Objective**

The objective of this course is to get a better understanding of the role of banks in the economy and the sources of fragility of the banking sector. The course addresses the following questions:

- What is the role of banks? How is it evolving and why?
- How does the credit market work?
- What is the impact of banks on growth and business cycles?
- What are the risks faced by banks and how do they manage them?
- Can bank regulation prevent new systemic crises in the future?

**Methodology**

We will develop simple theoretical models with information asymmetry. At the end of the course, you should be able to understand the functioning of these models.

The course is based on the two following textbooks which students might want to consult if they want some complements

**Bibliography**

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

**Assessment**

Written exam