

高等学校经济类双语教学推荐教材

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*ECONOMICS  
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经济学经典教材·金融系列

Classics

# 货币金融学

(第九版)

The Economics of Money, Banking and Financial Markets  
(Ninth Edition)

弗雷德里克·S·米什金 (Frederic S. Mishkin) 著

中国人民大学出版社

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## 出版说明

入世十年，我国已完全融入到经济全球化的浪潮中。党的十六大确立了“引进来，走出去”的发展战略，使得“国际化”复合型人才的需求不断增加。这就对我国一般本科院校多年来所采取的单一语言（母语）教学提出严峻挑战，经济类专业双语教学改革迫在眉睫。

为配合高校经济类专业双语教学改革，中国人民大学出版社携手培生、麦格劳-希尔、圣智等众多国际知名出版公司，倾情打造了该套“经济类双语系列教材”，本套教材包括：经济管理类专业开设的核心课程、经济学专业开设的主干课程以及财政金融专业和国际贸易专业的主要课程。所选教材均为国外最优秀的本科层次经济类教材。

我们在组织、引进和出版该系列教材的过程中，严把质量关。聘请国内著名经济学家、学者以及一线授课教师审核国外原版教材，广泛听取意见，努力做到把国外真正高水平的适合国内实际教学需求的优秀教材引进来，供国内广大师生参考、研究和学习。

本系列教材主要有以下特点：

第一，教材体系设计完整。本系列教材全部为国外知名出版公司的优秀教材，涵盖了经济类专业的所有主要课程。

第二，英文原版教材特色。本系列教材依据国内实际教学需要以及广泛适应性，部分对原版教材进行了全文影印，部分在保持原版教材体系结构和内容特色的基础上进行了适当删减。

第三，内容紧扣学科前沿。本系列教材在原著选择上紧扣国外教学前沿，基本上都是国外最流行教材的最新版本。

第四，篇幅合理、价格适中。本系列教材一方面在内容和篇幅上很好地适应了国内双语教学的实际需要，另一方面，低定价策略又避免了国外原版图书高额的购买费用。

第五，提供强大的教学支持。依托国外知名出版公司的资源，本系列教材为教师提供丰富的配套教辅资源，如教师手册、PPT课堂演示文稿、试题库等，并配套有内容丰富的网络资源，使教学更为便利。

本系列教材既适合高等院校经济类专业的本科教学使用，也适合从事经济类工作和研究的广大从业者的阅读和学习。我们在选书、改编过程中虽然全面听取了专家、学者和教师的意见，努力做到满足广大读者的需求，但由于各教材的作者所处的政治、经济和文化背景不同，书中内容仍可能有不妥之处，我们真诚希望广大读者提出宝贵意见和建议，以便我们在以后的版本中不断改进和完善。

## HALLMARKS

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Although this text has undergone a major revision, it retains the basic hallmarks that have made it the best-selling textbook on money and banking over the past eight editions:

- A unifying, analytic framework that uses a few basic economic principles to organize students' thinking about the structure of financial markets, the foreign exchange markets, financial institution management, and the role of monetary policy in the economy
- A careful, step-by-step development of models (an approach found in the best principles of economics textbooks), which makes it easier for students to learn
- The complete integration of an international perspective throughout the text
- A thoroughly up-to-date treatment of the latest developments in monetary theory
- Special features called "Following the Financial News" and "Reading the *Wall Street Journal*" to encourage reading of a financial newspaper
- An applications-oriented perspective with numerous applications and special-topic boxes that increase students' interest by showing them how to apply theory to real-world examples

## WHAT'S NEW IN THE NINTH EDITION

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In addition to the expected updating of all data through the end of 2008 whenever possible, there is major new material in every part of the text.

### **The Business School Edition**

I am pleased to continue providing two versions of *The Economics of Money, Banking, and Financial Markets*. While both versions contain the core chapters that all professors want to cover, *The Economics of Money, Banking, and Financial Markets*, Business School Edition (formerly the Alternate Edition), is designed for those professors who prefer to focus more on finance, or who simply do not cover *ISLM*. The Business School Edition includes not only chapters on nonbank finance and financial derivatives, but also an entire chapter on the conflicts of interest in the financial industry. The Business School Edition omits the two *ISLM* chapters and the chapter on the implications of rational expectations for policy. For those professors whose courses have less of an emphasis on monetary theory, *The Economics of Money, Banking, and Financial Markets*, Business School Edition, will more closely fit your needs.

For those professors who want a comprehensive discussion of monetary theory and monetary policy, *The Economics of Money, Banking, and Financial Markets*, Ninth Edition, contains all of the chapters on monetary theory. Professors who do want this coverage are often hard-pressed to cover all the finance and institutions chapters. To that end, the Ninth Edition omits the chapters on nonbank finance, financial derivatives, and conflicts of interest. The MyEconLab course for each edition provides the omitted chapters making them readily available for those who do wish to utilize them in their courses.

## **The Subprime Financial Crisis**

The subprime financial crisis has led to a series of events that have completely changed the structure of the financial system and the way central banks operate. This has required a rewriting of almost the entire textbook, including a new chapter, a rewrite of one whole chapter, and the addition of many timely new sections, applications, and boxes throughout the rest of the book.

## **New Chapter 9: Financial Crises and the Subprime Meltdown**

With the coming of the subprime financial crisis, a money and banking course would not be complete without an extensive analysis of why financial crises like the subprime crisis occur and why they have such devastating effects on the economy. Using an economic analysis of the effects of asymmetric information on financial markets and the economy, this new chapter examines why financial crises occur and why they have such devastating effects on the economy. This analysis is used to explain the course of events in a number of past financial crises throughout the world, with a particular focus on explaining the recent subprime crisis. Because the recent events in the subprime crisis have been so dramatic, the material in this chapter is very exciting for students. Indeed, when teaching this chapter after I returned to Columbia, the students were more engaged with this material than with anything else I have taught in my entire teaching career of over 30 years.

## **Reordering of Part 3, Financial Institutions, and Rewrite of Chapter 11, The Economic Analysis of Financial Regulation**

In past editions, the chapter on the structure of the banking industry was followed by the chapter on banking regulation. This ordering no longer makes sense in the aftermath of the subprime financial crisis, because nonbank financial institutions like investment banks have for the most part disappeared as free-standing institutions and are now part of banking organizations. To reflect the new financial world that we have entered, we first discuss the financial industry as a whole and then look at the specifics of how the now more broadly based banking industry is structured. To do this, I have placed the chapter on regulation before the chapter on the structure of the banking industry and have rewritten it to focus less on bank regulation and more on regulation of the overall financial system.

## **Revised Chapter 13, Central Banks: A Global Perspective**

Monal Abdel-Baki at the American University in Cairo has contributed a revised chapter with expanded coverage of the role and structure of the ECB, and coverage of central banks in transition and emerging economies.

## **Compelling New Material Throughout the Text**

The subprime financial crisis has had such far-reaching effects on the field of money and banking that almost every chapter has required changes to reflect what has happened. Throughout the book, I have also added a large amount of substantive new material on the impact of the subprime financial crisis including:

- A new application on the subprime collapse and the Baa-Treasury spread (Chapter 5)
- A new application on the subprime financial crisis and the stock market (Chapter 7)
- A new box on credit-rating agencies and the subprime financial crisis (Chapter 8)
- A new application on how a capital crunch caused a credit crunch in 2008 (Chapter 10)

- A new box on mark-to-market accounting and the subprime financial crisis (Chapter 11)
- A new box on the subprime mortgage crisis and consumer protection regulation (Chapter 11)
- A new section on where financial regulation is heading after the subprime financial crisis (Chapter 11)
- A new box on the money market mutual fund panic of 2008 (Chapter 12)
- A new box on the subprime financial crisis and the demise of large, free-standing investment banks (Chapter 12)
- A new Inside the Fed box on Federal Reserve lender-of-last-resort facilities during the subprime financial crisis (Chapter 15)
- A new section on preemptive strikes against economic downturns and financial disruption during the subprime meltdown (Chapter 16)
- A new section on lessons from the subprime crisis as to how central banks should respond to asset price bubbles (Chapter 16)
- A new application on the global financial crisis and the euro (Chapter 17)
- A new box on the subprime financial crisis and the IMF (Chapter 18)
- A new application on the Economic Stimulus Act of 2008 (Chapter 21)
- A new application on the perfect storm of shocks: negative supply shocks and the subprime financial crisis (Chapter 22)
- A new application on the subprime recession (Chapter 23)
- A new box on the AIG blowup (Web Chapter 1)
- A new box on the subprime financial crisis and the monoline insurers (Web Chapter 1)
- A new box on the subprime financial crisis and the bailout of Fannie Mae and Freddie Mac (Web Chapter 1)
- A new application on lessons from the subprime financial crisis: when are financial derivatives likely to be a worldwide time bomb? (Web Chapter 2)

## **Additional New Material on Financial Markets and Institutions**

There have also been changes in financial markets and institutions in recent years that have not been directly related to the subprime financial crisis, and I have added the following new material to keep the text current:

- A new section on the positive role that lawyers play in our financial system, entitled “Should We Kill All the Lawyers?” (Chapter 8)
- A new box on whether Sarbanes-Oxley led to a decline in U.S. capital markets (Chapter 8)
- A new box on how well Basel 2 will work (Chapter 11)
- A rewritten section on financial innovation and the growth of the “shadow banking system” (Chapter 12)
- A new section on credit insurance (Web Chapter 1)
- A new section on private equity and venture capital funds (Web Chapter 1)
- A new box on sovereign wealth funds and whether they pose a danger (Web Chapter 1)

## **New Material on Monetary Theory and Policy**

Drawing on my two years as a governor of the Federal Reserve, I have added new material on monetary theory and policy over and above that which was related to the subprime financial crisis:

- A new Inside the Fed box on how Bernanke’s style differs from Greenspan’s (Chapter 13)



- A new Inside the Fed box on why the Fed needs to pay interest on reserves (Chapter 15)
- A rewrite of the section on the market for reserves and the federal funds rate to reflect the new policy of paying interest on reserves (Chapter 15)
- A new application on how the Federal Reserve's operating procedures limit fluctuations in the federal funds rate (Chapter 15)
- An update on the Inside the Fed box on Chairman Bernanke and inflation targeting (Chapter 16)
- A expanded discussion of the Taylor Rule (Chapter 16)
- A new section on preemptive strikes against inflation (Chapter 16)
- A new section on preemptive strikes against economic downturns and financial disruptions (Chapter 16)

### **Further Simplification of the Supply and Demand Analysis of the Foreign Exchange Market**

The chapter on the determination of exchange rates has always been challenging for some students. In the Eighth Edition, I moved the analysis closer to a more traditional supply and demand analysis to make it more intuitive for students. Although this change has been very well received by instructors, I decided that the model of exchange rate determination could be made even easier for the students if I relegated the calculation comparing expected returns and the interest parity conditions to an appendix. Doing so in the Ninth Edition simplifies discussion appreciably and should make the analysis of exchange rate determination much more accessible to students.

### **Improved Exposition and Organization**

Helpful comments from reviewers prompted me to improve the exposition throughout the book. The reviewers convinced me that material on what central banks should do would be better placed at the beginning of the discussion of Part 4 on central banking. As a result, I moved the material on the goals of monetary policy from Chapter 16, which now has a slightly new title, "The Conduct of Monetary Policy: Strategy and Tactics" to the revised Chapter 13, "Central Banks: A Global Perspective".

Reviewers also suggested that I could simplify and condense the discussion of how the money supply is determined by combining Chapters 13 and 14 from the Eighth Edition into a new chapter. The resulting new chapter entitled "The Money Supply Process" does not lose any content and works even better in the classroom than the two chapters in the Eighth Edition. Also, at the suggestion of several reviewers, I simplified the exposition at the beginning of Chapter 22 of how the aggregate demand curve is derived.

### **Chapters and Appendices on the Web**

The Web site for the book, [www.pearsonglobaleditions.com/mishkin](http://www.pearsonglobaleditions.com/mishkin), is an essential resource for additional content.

The Web chapters for the Ninth Edition of *The Economics of Money, Banking, and Financial Markets* include the unique chapters from the Business School Edition. These chapters are:

- Web Chapter 1: Nonbank Finance
- Web Chapter 2: Financial Derivatives
- Web Chapter 3: Conflicts of Interest in the Financial Industry

The Web appendices include:

- Chapter 4: Measuring Interest-Rate Risk: Duration



- Chapter 5: Models of Asset Pricing
- Chapter 5: Applying the Asset Market Approach to a Commodity Market:  
The Case of Gold
- Chapter 5: Loanable Funds Framework
- Chapter 7: Evidence on the Efficient Market Hypothesis
- Chapter 10: Duration Gap Analysis
- Chapter 10: Measuring Bank Performance
- Chapter 11: The Savings and Loan Crisis and Its Aftermath
- Chapter 11: Banking Crises Throughout the World
- Chapter 14: The Fed's Balance Sheet and the Monetary Base
- Chapter 14: The M2 Money Multiplier
- Chapter 14: Explaining the Behavior of the Currency Ratio
- Chapter 19: A Mathematical Treatment of the Baumol-Tobin and Tobin Mean  
Variance Model
- Chapter 19: Empirical Evidence on the Demand for Money
- Chapter 21: Algebra of the *ISLM* Model
- Chapter 22: Aggregate Supply and the Phillips Curve

Instructors can either use these Web Chapters or appendices in class to supplement the material in the textbook or recommend them to students who want to expand their knowledge of the money and banking field.

## FLEXIBILITY

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In using previous editions, adopters, reviewers, and survey respondents have continually praised this text's flexibility. There are as many ways to teach money, banking, and financial markets as there are instructors. To satisfy the diverse needs of instructors, the text achieves flexibility as follows:

- Core chapters provide the basic analysis used throughout the book, and other chapters or sections of chapters can be used or omitted according to instructor preferences. For example, Chapter 2 introduces the financial system and basic concepts such as transaction costs, adverse selection, and moral hazard. After covering Chapter 2, the instructor may decide to give more detailed coverage of financial structure by assigning Chapter 8, or may choose to skip Chapter 8 and take any of a number of different paths through the book.
- The text also allows instructors to cover the most important issues in monetary theory and policy without having to use the *ISLM* model in Chapters 20 and 21, while more complete treatments of monetary theory make use of the *ISLM* chapters.
- The internationalization of the text through marked international sections within chapters, as well as through complete separate chapters on the foreign exchange market and the international monetary system, is comprehensive yet flexible. Although many instructors will teach all the international material, others will not. Instructors who want less emphasis on international topics can easily skip Chapter 17 on the foreign exchange market and Chapter 18 on the international financial system and monetary policy. The international sections within chapters are self-contained and can be omitted with little loss of continuity.

To illustrate how this book can be used for courses with varying emphases, several course outlines are suggested for a semester teaching schedule. More detailed information about how the text can be used flexibly in your course is available in the Instructor's Manual.

- *General Money and Banking Course*: Chapters 1–5, 10–13, 15, 16, 22, 24, with a choice of 6 of the remaining 12 chapters.

- *General Money and Banking Course with an International Emphasis*: Chapters 1–5, 10–13, 15–18, 22, 24 with a choice of 4 of the remaining 10 chapters.
- *Financial Markets and Institutions Course*: Chapters 1–12, with a choice of 7 of the remaining 13 chapters.
- *Monetary Theory and Policy Course*: Chapters 1–5, 13–16, 19, 22–25, with a choice of 5 of the remaining 11 chapters.

## PEDAGOGICAL AIDS

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In teaching theory or its applications, a textbook must be a solid motivational tool. To this end, I have incorporated a wide variety of pedagogical features to make the material easy to learn:

1. **Previews** at the beginning of each chapter tell students where the chapter is heading, why specific topics are important, and how they relate to other topics in the book.
2. **Applications**, numbering around 50, demonstrate how the analysis in the book can be used to explain many important real-world situations. A special set of applications, called “Reading the *Wall Street Journal*,” shows students how to read daily columns in this leading financial newspaper.
3. **Following the Financial News boxes** introduce students to relevant news articles and data that are reported daily in the press and explain how to read them.
4. **Inside the Fed boxes** give students a feel for what is important in the operation and structure of the Federal Reserve System.
5. **Global boxes** include interesting material with an international focus.
6. **FYI boxes** highlight dramatic historical episodes, interesting ideas, and intriguing facts related to the subject matter.
7. **Summary tables** provide a useful study aid in reviewing material.
8. **Key statements** are important points set in boldface italic type so that students can easily find them for later reference.
9. **Graphs** with captions, numbering more than 150, help students clearly understand the interrelationship of the variables plotted and the principles of analysis.
10. **Summary** at the end of each chapter lists the main points covered.
11. **Key terms** are important words or phrases, boldface when they are defined for the first time and listed at the end of the chapter.
12. **End-of-chapter questions and problems**, numbering more than 400, help students learn the subject matter by applying economic concepts, including a special class of problems that students find particularly relevant, under the heading “Using Economic Analysis to Predict the Future.”
13. **Web Exercises** encourage students to collect information from online sources or use online resources to enhance their learning experience.
14. **Web Sources** report the Web URL source of the data used to create the many tables and charts.
15. **Web References** point the student to Web sites that provide information or data that supplement the text material.
16. **Glossary** at the back of the book provides definitions of all the key terms.

## AN EASIER WAY TO TEACH: SUPPLEMENTS TO ACCOMPANY THE NINTH EDITION

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*The Economics of Money, Banking, and Financial Markets, Global Edition, Ninth Edition,*

includes the most comprehensive program of supplements of any money, banking, and financial markets textbook. These items are available to qualified domestic adopters but in some cases may not be available to international adopters.



**MyEconLab** is the premier online assessment and tutorial system, pairing rich online content with innovative learning tools. The MyEconLab course for the Ninth Edition of *The Economics of Money, Banking, and Financial Markets, Global Edition*, includes all end-of-chapter problems from the text, which can be easily assigned and automatically graded.

**Students and MyEconLab** This online homework and tutorial system puts students in control of their own learning through a suite of study and practice tools correlated with the online, interactive version of the textbook and other media tools. Within MyEconLab's structured environment, students practice what they learn, test their understanding, and then pursue a study plan that MyEconLab generates for them based on their performance on practice tests.

**Instructors and MyEconLab** MyEconLab provides flexible tools that allow instructors to easily and effectively customize online course materials to suit their needs. Instructors can create and assign tests, quizzes, or homework assignments. MyEconLab saves time by automatically grading all questions and tracking results in an online grade book. MyEconLab can even grade assignments that require students to draw a graph.

After registering for MyEconLab, instructors have access to downloadable supplements such as an instructor's manual, PowerPoint lecture notes, and the test bank. The test bank can also be used within MyEconLab, giving instructors ample material from which they can create assignments.

Additional MyEconLab features include:

- *Animated Figures*. Key figures from the textbook are presented in step-by-step animations with audio explanations of the action.
- *Applications*. The applications from the text are available with assignable questions.
- *Mishkin Interviewed on the Financial Crisis*. Watch video footage from a recent interview with the author, complete with assignable questions.
- *Weekly News Updates*. Each week, a relevant and current article from a newspaper or journal is posted with Discussion Questions.
- *Research Navigator* (CourseCompass version only). Extensive help on the research process and four exclusive databases of accredited and reliable source material including the *Financial Times* and peer-reviewed journals.

For more information and to register, please visit [www.myeconlab.com](http://www.myeconlab.com).

## Additional Instructor Resources

1. **Instructor's Manual**, an online supplement prepared by me and offering conventional elements such as sample course outlines, chapter outlines, and answers to questions and problems in the text.
2. **PowerPoint® Slides**. New to this edition is a far more comprehensive set of PowerPoint slides—greatly expanded from the previous edition and now numbering over 550—that provides not only all the tables and graphs in the text, but very detailed lecture notes for all the material in the course. The basis of the lecture notes is, in fact, the notes I use in class—and they should help other instructors

prepare their lectures as they have helped me. In this edition, Martin Pereyra of the University of Missouri has enhanced the presentation by adding additional lecture notes. Some instructors might use these PowerPoint slides as their own class notes and prefer to teach with a blackboard. But for those who prefer to teach with visual aids, the PowerPoint slides, which are fully customizable, afford the flexibility to take this approach.

3. **Computerized Test Bank**, allowing the instructor to produce exams efficiently. Updated and revised by Richard G. Stahl of Louisiana State University and Kathy Kelly of the University of Texas at Arlington, comprising more than 2,500 multiple-choice and essay test items, this product consists of the multiple-choice and essay questions in the printed Test Bank and offers editing capabilities. It is available in Windows and Macintosh versions.
4. **Mishkin Web site**, located at [www.pearsonglobaleditions.com/mishkin](http://www.pearsonglobaleditions.com/mishkin), which features appendices on a wide variety of topics (see "Appendices on the Web"), omitted chapters, and links to the URLs that appear at the end of the chapters.

### **Additional Student Resources**

1. **Study Guide**, fully revised and updated by David Hakes of the University of Northern Iowa and Ed Gamber of Lafayette College, includes chapter synopses and completions, exercises, self-tests, and answers to the exercises and self-tests.
2. **Readings on Money, Banking, and Financial Markets**, edited by James W. Eaton of Bridgewater College and me, updated annually, with over half the articles new each year to enable instructors to keep the content of their course current throughout the life of an edition of the text. The readings are available within MyEconLab.

FREDERIC S. MISHKIN

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## PART 1 Introduction 1

### CHAPTER 1

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