

Teaching Research on Financial Cycle and Monetary Policy of Financial Economy in Colleges and Universities

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Abstract: In recent years, with the rapid development of financial market, the impact of financial system on real economy is increasing day by day. Financial shock has become an important factor causing frequent economic fluctuations. The periodic fluctuation of financial market itself has also produced significant periodic effects on the operation of real economy. Financial economics plays a fundamental role in the financial discipline system and shows the analytical framework of microfinance. Therefore, it is necessary to strengthen the teaching reform and practice of financial economics. Under this background, a new curriculum system of financial cycle and monetary policy teaching in the financial economy of colleges and universities centered on learners is constructed, which highlights the pertinence, integrity, hierarchy and continuity of the curriculum content, and promotes the classroom of students. The enthusiasm of participation has effectively improved the ability of students to study and apply in practice, and promoted the construction of financial disciplines.

1. Introduction

At present, the research on financial cycle is still in its infancy, and the research results are relatively scarce. How to define the financial cycle scientifically and reasonably is the most important problem in studying the financial cycle. Only on the basis of grasping the scientific connotation of the financial cycle, can we correctly select the corresponding financial variables to describe the form of the financial cycle [1]. Through decades of observation and research, people have found that economic variables show different characteristics in different stages, and these characteristics may recur, that is, the economy has periodicity. Traditionally, macro-control measures aiming at maintaining price stability and promoting economic growth have limitations. On this basis, a global unified financial market and financial operation mechanism were formed, and finally a unified financial cycle, namely the global financial cycle [2]. In the process of financial globalization, developed countries led by the United States have become the main driving force for financial innovation and financial liberalization, and dominate the rules of global financial markets. Internationalization and capitalization, the impact of financial markets on the real economy continues to increase, and financial shocks have also become an important factor leading to cyclical fluctuations in the economy [3]. Finance is the core and lifeline of the modern economy. As an important endogenous variable of economic growth, financial development has increasingly become one of the most important influencing factors, restricting the development of the economy.

As an important part of economic macroeconomic regulation and control, monetary policy is playing an important role in the regulation of the reverse economic cycle. Improve the accuracy of the financial cycle measurement, grasp the fluctuation law of the financial cycle and its linkage mechanism with the economic cycle. It has important theoretical value and practical significance for deepening the reform of financial system, preventing systemic financial risks, expanding the framework of macroeconomic regulation and control, and realizing the smooth operation of macroeconomic finance in China. To a certain extent, this paper follows the idea of studying the economic cycle. On the basis of a brief analysis of the measurement characteristics of China's financial cycle, it studies whether monetary policy can effectively regulate the fluctuation of China's financial cycle.

2. Analysis on the Mechanism of the Impact of Financial Cycle and Financial Fluctuation on Economic Growth

The theory of economic cycle originated from the study of the fluctuation of economic output and the formation of crisis. It focused on the causes and Countermeasures of the significant deviation between the real output and the long-term trend of economic activities under the cyclical and irregular fluctuation mode. Specifically, due to the imperfection of credit market and information asymmetry and other factors leading to the existence of financial friction, there are agency costs between the main body of credit market [4]. Credit, as the main way of credit creation, closely links savings with investment, can measure the cyclical expansion and contraction of the financial sector. Therefore, credit is one of the commonly used indicators in the literature on the measurement of financial cycle. The financial cycle is increasingly characterized by globalization. As the global financial market becomes more relevant, the spillover effect continues to increase, and the “linkage” or “resonance” of global financial markets becomes more prominent, thus forming the so-called global financial cycle [5]. Under the influence of financial intermediaries, the financial market itself is continuously fluctuating and cyclically changing in relation to the long-term equilibrium level of the world real economy. Finance can affect the length and amplitude of the economic cycle. If the recession is accompanied by a financial depression, the economic recession is more serious and lasts longer. If the economic recovery is accompanied by financial prosperity, the economic growth will be stronger.

In the long run, changes in the company's net worth will affect investment. When the financial accelerator does not work, the company will shrink its initial investment due to the rise in risk-free interest rates, and when the impact ceases to exist, the investment will immediately return to a steady state level. It is this crisis that subverts the research methods of economic cycle theory. The traditional classical cycle theory cannot propose effective solutions to save the economies of countries in the recession [6]. Capital inflows and outflows follow the laws of the global financial cycle, which is synchronized with risk aversion and uncertainty in the world market. The operation of the global financial cycle is accompanied by simultaneous fluctuations in international capital flows, asset prices, and credit growth, which increases the international sensitivity of domestic financial market variables. From the reality of our country, the real estate cycle is closely related to credit cycle and economic cycle. The fluctuation of real estate price is often the direct source of macroeconomic and financial fluctuation and the important mechanism of financial risk transmission between real economy and financial system. Among them, real estate prices are most closely related to the economic cycle; the financial cycle and economic cycle of developing countries are more significant than that of developed countries. Because of the multiple relationship between financial cycle and economic cycle, monetary policy can not ignore the impact of financial cycle on economic operation in the formulation process. Even if inflation has been effectively controlled in the short term, the central bank still needs to take certain measures to maintain financial stability.

Different enterprises in different periods, the effect of financial cycle through balance sheet channel in different stages of the economic cycle is asymmetric, and small enterprises are more affected by the financial transmission mechanism. When the economy is uncertain, investors prefer to hold money, that is, because of the uncertainty of the future economy, when savings increase, investment does not necessarily rise proportionally. The global financial cycle can influence the financial environment of emerging economies and even the whole world through quantitative and price channels. The most important channel of quantity spillover is capital flow movement. Under the open conditions, the financial markets of the peripheral countries of the world are thus implicated, and the independence and effectiveness of monetary policy are also challenged to a certain extent. The financial cycle is closely linked to the economic cycle and, for the most part, exhibits mutually promising procyclicality. When the economic cycle is inconsistent with the operation of the financial cycle, it is often accompanied by contradictions and conflicts in the regulation of macroeconomic policies. The higher the level of financial development, the lower the macroeconomic volatility, which explains why the economic cycle in developing countries is more

pronounced. Monetary policy, while maintaining economic growth while taking into account financial stability objectives, may expose shortcomings due to inconsistencies between the two goals and standards, thereby damaging the reputation and credibility of the central bank, as well as challenging monetary policy implementation. When a negative impact occurs, the price level of the enterprise product declines and the output declines, which is not conducive to the enterprise to obtain funds from the bank and put into production.

3. Independence and International Coordination of Monetary Policies in the Global Financial Cycle

In the context of financial globalization, the rapid dissemination of all kinds of information in the market can easily lead to the consistent fluctuation of global investors' risk aversion mood, which will affect the risk premium of financial assets and may change the direction of cross-border capital flows. The rising interest rates in the major global markets led by the United States have increased the cost of international capital flows to a certain extent, and the international financial market activity has declined accordingly. From the point of view of the relationship between the financial cycle and the peak of the economic cycle, the trough of the financial cycle is always ahead of the trough of the economic cycle, and the peak of the economic cycle is always ahead of the peak of the financial cycle. Excess liquidity, hot credit and rapidly rising asset prices have boosted the financial market, and the global financial cycle has witnessed a more obvious second expansion. This will hinder the adjustment of interest rate spreads on exchange rates and affect the independence of monetary policy of floating exchange rate regime countries. Each cycle is characterized by a rapid rise and fall; it has a long tail feature. This shows that China's money supply is easy to expand with economic recovery and prosperity. When the economy is overheated, the monetary authorities consider the smooth transition of the economy. Monetary policy is handy and a very beneficial tool. However, practice has proved that overestimating its effectiveness is not a goal that cannot be realized, or it has a great side effect in the implementation of strong implementation.

The development of financial integration, especially the formation of the global financial cycle, has undermined the ability of countries to maintain the independence of monetary policy. The role of the floating exchange rate system in isolating international risks has also been greatly reduced. The global financial asset prices have generally fallen sharply, the market has been under tremendous pressure, and there has been a violent shock. The world has faced serious liquidity and confidence crisis for a long time. It can be seen that the recovery of financial activities has a good predictability for the opening of the economic cycle, and the downturn of the real economy often indicates the beginning of the downturn of the financial cycle. At present, more than 90% of the bonds are underwritten by China's Interbank Market Traders Association, and the buyers of bonds are mainly commercial banks or non-bank financial institutions. In the long run, the trend of the real estate market mainly depends on the basic aspects of supply and demand. The supply side mainly includes housing stock and new growth rate, and the demand side mainly depends on population level and income growth rate. A country's desire to ensure the independence of absolute monetary policy can only be achieved through the implementation of complete capital control and the severance of ties with the international community. The floating exchange rate system has very limited help in achieving this goal. This obviously restricts the effective transmission of monetary policy, and the financing difficulties of well-managed enterprises also appear, which leads to the decline of the liquidity of the real economy.

4. Exploration on the Teaching Design of "Financial Economics" Course with Learner-centered

To overcome the many shortcomings of the traditional course content design, in order to effectively improve students' ability to analyze and solve problems, it is necessary to carry out the learner-centered "financial economics" course teaching design based on the humanistic view of learning. Through the construction and research of this course, especially in the course of teaching

practice in this year, we strive to break through the traditional teaching mode in teaching and form a set of teaching content and teaching methods that are both standardized and innovative. To fundamentally solve the problem of employment difficulties, it is necessary to improve the overall quality and comprehensive ability of students from a practical point of view. The teaching reform of the international finance curriculum is also based on this goal, and strives to cultivate students into a financial system that conforms to modern social and economic development. Excellent talents. "Learner-centered" must fully trust students' potential abilities, stimulate their learning motivation, and ultimately train them into all-round development. Emphasis is placed on highlighting the purpose of the course teaching, enhancing students' interest, operability and perceptual knowledge in learning, stimulating students' initiative and innovation in learning, and expanding the depth and breadth of learning. It also requires students to understand the process of practical operation, understand the laws and regulations related to the financial industry, so that students' international financial knowledge level can rise as a whole, and help them solve the problem of employment.

According to the inherent logical relationship of the theoretical knowledge of financial economics, combing the course content of "financial economics" as the basic framework of "one body, two wings", can not only lead students to grasp the pulse of the times, understand the world's frontier, but also improve students' ability of logical analysis and research-based learning. Improve teaching methods and means. Each semester carries on the self-evaluation to the curriculum, in order to comprehensively summarize and analyze the teaching situation, find out the difficult problems in the teaching process, and make a summary and analysis of the teaching content, methods and means, and constantly change them. The purpose of training and developing theoretical talents to practical talents is to continuously revise and adapt the teaching objectives through targeted planned teaching, in order to enable the financial talents trained in our country. No matter at which level of the theoretical branch, at what stage the theoretical development is directly directed at the pricing model of different financial assets. The value of different financial assets is essentially a request for various rights and interests. Through the analysis and explanation of various typical cases, students can deepen their understanding of basic theory, professional theory and the combination of theory and practice, which is conducive to cultivating students' ability to analyze, cope and solve various intricate problems independently. Let them conduct real financial experiences in their thinking, motivate them to discover and solve problems, and help them speed up their walking to the goals they need.

As the main body of financial economics, no matter which theoretical branch of the asset pricing model, no matter which specific model in the theoretical branch, it is inseparable from the support and support of "risk preference" and "related hypothesis", which is "financial economics" The "two wings" in the curriculum system. Increase student participation in the teaching process and strengthen the autonomy of students' learning. In the classroom, teachers can be guided to discuss with teachers and students, and students can answer questions by self-answer. Effectively uniting financial teaching with various economic and financial news events, teachers can let students find some news and video materials, and then play multimedia games in teachers. Teachers can also choose the content they need to play. This paper elaborates the economic significance of the asset pricing model and its important role in the model. In addition, it also introduces the related capital budget constraints and advanced capital budget constraints, along with the discussion of hypotheses in the history of economic theory. It is conducive to cultivating students' ability to analyze, deal with and solve various complex problems independently. It is also conducive to improving teachers' consciousness of participating in business practice. It is worth mentioning that different students, teachers should be able to teach students in accordance with their aptitude, suitable for students' individual programs, is the best program. These methods effectively improve the students' ability to use theoretical knowledge to analyze practical problems, and also avoid the defect that pure theoretical teaching can not meet the diverse needs of students.

5. Conclusion

With the deepening of China's financial liberalization and the improvement of its economic

status, in the new era of economic development, mastering the characteristics of financial fluctuations at different stages of the financial cycle can help the government better formulate effective fiscal and monetary policies to regulate and control macro-economy, so as to avoid the occurrence of financial risks and weaken the impact of financial crisis. Macroeconomic and national policies are two external factors affecting the financial cycle. The pro-cyclicality of financial cycle is determined by the pro-cyclicality of financial behavior and the institutional pro-cyclicality mechanism of financial system. The result of the reform of college finance curriculum teaching is an inevitable trend of modern economic development. Its purpose is to enable the modern financial industry to have more and better financial talents. Its reform is not only reflected in the emphasis on the future development of students, but also on A look and admiration for the financial industry. It has effectively improved students' practical application ability, fully embodied the "learner-centered" humanistic view of learning and its specific application in teaching practice, thus building the "financial economics" curriculum and the construction of financial professional discipline system. And the students have made positive contributions to the comprehensive ability development.

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