

FinTech: Economic Tools and Analysis



Changes in technology, such universal internet access, dramatic advances in cryptography and a mobile phone in every pocket, have changed how industries operate and will operate. This is particularly true in Finance and Intermediation more broadly. The purpose of this course is to chart and understand some of these changes, with a special emphasis on innovations that change the Finance Industry.

This is a non-traditional finance course because understanding innovation requires recognizing opportunities. Specifically, we will focus on who gets "rents" in existing finance markets and the barriers to entry that can be overcome by technology. Wherever possible we will focus on standard quantitative analysis, but most of our discussions will be qualitative in nature. By the end of the course, you should be comfortable with making analytical judgements about the benefit that technology can bring to financial intermediaries.

In this course, we will cover:

- The basics of the payment system, and how it is changing.
- Two-sided markets and how to successfully implement a platform good.
- How other stores of value embedded in mobile technology are used around the world, in both high income and low income countries.
- Changes in other financial sectors including advice, banking and insurance.
- The potential of cryptocurrencies and the possibilities for disruption inherent in an open, consensus ledger (e.g., the BlockChain).
- Central Bank Digital Currency and macroprudential regulation.

Christine A. Parlour is the Sylvan C. Coleman Chair in Finance and Accounting. My current research interests are in payment systems, central bank digital currency and Initial Coin Offerings.