



A POLYTECHNIC INSTITUTION

COURSE OUTLINE

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

COURSE NUMBER: FMGT 4570	COURSE NAME: Money & Banking	
SCHOOL OF BUSINESS	Start Date: Jan 6, 2004	End Date: May 23, 2004
TAUGHT BY: Business Administration		
TAUGHT TO: Financial Management		
Program: Finance		

Hours/Week	4	Total Hours:	80	Term/Level:	Fall 2003
Lecture:	2				
Lab:	2				
Other:		Total Weeks:	20	Credits:	4

Instructor: Richard Miles	
Office No. SE 6-323	Phone: 604-450-6780
E-mail: rmiles@bcit.ca	Fax: 604-439-6700
Office Hours: AS POSTED	

Pre-requisites: Course Number: ECON 2100 & 2200 Course Name: Micro & Macroeconomics	This course is a prerequisite for: None
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Course Description :

This course emphasizes the economic way of thinking by developing a unifying framework to study money, banking, and financial markets. This analytic framework uses a few basic economic concepts to organize your thinking about the determination of asset prices, the structure of financial markets, bank management and the role of money in the economy.

Evaluation Policy:

Lab assignments will be supplied by the instructor and completed in lab. To receive marks for the completion of lab assignments the student must attend the entire lab and give a satisfactory level of effort and performance on the assigned work.

The examinations will be a combination of multiple choice and written/graphing questions.

To pass the course you must write all tests and examinations and you must also achieve a minimum 50% weighted average score over all tests and examinations. In addition to this you must also achieve a 50% weighted average over Term Test 2 and the Final Examination to pass the course.

Attendance/Lab Assignments	5	%
Term Test 1	17.5	%
Midterm Exam	30	%
Term Test 2	17.5	%
Final Examination	30	%
Total	100	%



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Text(s) and Equipment:

Required:

Mishkin, F.S. and Serletis, A. (2001). *The Economics of Money, Banking, and Financial Markets*. First Canadian Edition. Addison Wesley Longman.

Reference:

Binhammer, H.H. and Sephton, P.S. (1998). *Money, Banking and the Canadian Financial System*. Seventh Edition. ITP Nelson.

Shearer, R.A., Chant, J.F. and Bond D.E.. (1995). *Economics of the Canadian Financial System, Theory, Policy and Institutions*. Third Edition. Prentice-Hall.

Siklos, P.L. (1997) *Money Banking and Financial Institutions: Canada in the Global Environment*. Second Edition. McGraw-Hill Ryerson.

Prior Learning Assessment Method: (N/A)

Verification:

I verify that the content of this course outline is current: (Instructor)

Date: January 6, 2004

I verify that this course outline has been reviewed: (Chief Instructor/Program Head)

Date: January 6, 2004

I verify that this course outline complies with BCIT policy: (Associate Dean)

Date: January 6, 2004

Course Learning Outcomes/Competencies:

Upon successful completion of this course, the student will be able to:

- Demonstrate a reasonable understanding and facility of course information and models.



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Course Notes (Policies & Procedures)

- **Assignments:** Late assignments or projects will not be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.
- **Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced.
- **Course Outline Changes:** The material specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.
- **Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam or project for all parties involved and /or expulsion from the course.
- **Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, test, projects or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated (i.e. an average is given according to your performance throughout the course)
- **Makeup Tests, Exams or Quizzes:** There will be no makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for documented medical reasons or extenuating circumstances.
- **Labs:** Lab attendance is mandatory. Lab exercises are due at the end of the lab period.
- **I.D. Required in Examination Centres:** Effective December 2000, in order to write exams, students will be *required* to produce photo-identification at examination centres. Photo I.D. must be placed on the desk before an exam will be issued to the student. The I.D. must remain in view on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or, alternatively, two pieces of identification, one of which must be government photo I.D. such as a driver's license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

Assignment Details:

***This schedule is subject to change at the discretion of the instructor:**

Material to be Covered	Chapter Readings
Why Study Money, Banking, & Financial Markets; An Overview of the Financial System	1 & 2
The Keynesian Framework and the ISLM Model	22
Monetary and Fiscal Policy in the ISLM Model	23
The Framework for the Implementation of Monetary Policy and Tools	17
Conduct of Monetary Policy: Goals & Targets	18
Transmission Mechanisms of Monetary Policy: The Evidence	25
The Behavior of Interest Rates	5
The Risk and Term Structure of Interest Rates	6
The Foreign Exchange Market	7
An Economic Analysis of Financial Structure	8
Financial Derivatives	13
Theory of Rational Expectations & Efficient Capital Markets	27
Rational Expectations: Implications for Policy	28
Special Topic - TBA	

