



SEP 05 2003

A POLYTECHNIC INSTITUTION

**COURSE OUTLINE**

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

<b>COURSE NUMBER: FMGT 4570</b>	<b>COURSE NAME: Money &amp; Banking</b>	
<b>SCHOOL OF BUSINESS</b>	<b>Start Date: Jan 6, 2003</b>	<b>End Date: May 23, 2003</b>
<b>TAUGHT BY: Business Administration</b>		
<b>TAUGHT TO: Financial Management</b>		
<i>Program: Finance</i>		

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

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

<b>Pre-requisites:</b> Course Number: ECON 2100 & 2200 Course Name: Micro & Macroeconomics	<b>This course is a prerequisite for: None</b>
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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 announced at the end of each lecture and will normally consist of end of chapter questions. Each assignment is to be completed on an individual basis and must be handwritten (i.e. not typed). Assignments are to be handed-in in person at the beginning of each lab. Set members are not permitted to hand-in assignments for students that are absent from lab. Late, typed, or jointly completed assignments will not be accepted. Assignments will be graded as either Satisfactory or Unsatisfactory.

The group project details will be discussed after spring break.

The term tests and the final examination will be a combination of multiple choice and written/graphing questions. The written/graphing component of exams will consist primarily of questions drawn from lab assignments and other materials covered in lab.

To pass the course you must write both term tests and the final exam. You must also achieve a minimum 50% weighted average score over the combination of term tests and final exam before lab assignment and group project marks will be calculated in your final grade. This means that you must achieve a minimum 50% weighted average score over the combination of term tests and the final exam to pass the course. You must also achieve at least 50% weighted average on the second term test and the final exam for the lab assignment and quiz marks to be counted in your final grade.

<b>Final Examination</b>	30	%
<b>Midterm Test 1</b>	25	%
<b>Midterm Test 2</b>	25	%
<b>Lab Assignments</b>	10	%
<b>Group Projects</b>	10	%
<b>Total</b>	<b>100</b>	<b>%</b>



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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:**

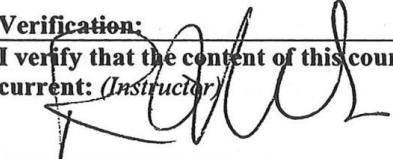
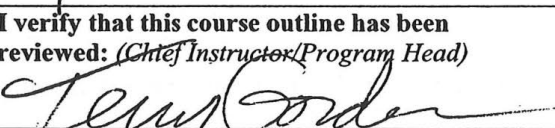
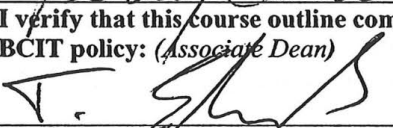
Binhammer, H.H. and Sephton, P.S. (1998). *Money, Banking and the Canadian Financial System*. Seventh Edition. ITP Nelson.

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: <i>(Instructor)</i> 	Date: January 6, 2003
I verify that this course outline has been reviewed: <i>(Chief Instructor/Program Head)</i> 	Date: January 6, 2003
I verify that this course outline complies with BCIT policy: <i>(Associate Dean)</i> 	Date: January 6, 2003

**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:

Week of	Material to be Covered	Chapter Readings
Chapter readings will be assigned in lecture each week.	Why Study Money, Banking, & Financial Markets	1
	An Overview of the Financial System	2
	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
	Economic Analysis of Banking Regulation	11
	Financial Derivatives	13
	Theory of Rational Expectations & Efficient Capital Markets	27
	The Framework for the Implementation of Monetary Policy and Tools	17
	Conduct of Monetary Policy: Goals & Targets	18
	Aggregate Demand & Supply Analysis	24
	Transmission Mechanisms of Monetary Policy: The Evidence	25
	Rational Expectations: Implications for Policy	28