

SEP 26 2002



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline

School of Business

Program: Financial Management

**FMGT 4570: Money and Banking**  
**January 2002**

<b>Hours/Week</b>	4	<b>Total Hours</b>	80
<b>Lecture:</b>	2	<b>Total Weeks:</b>	20
<b>Lab:</b>	2		

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**Instructor**

Richard Miles

Office No.: SE6 323

Phone: 604-451-6780

Office Hrs.: By appointment [rmiles@bcit.ca](mailto:rmiles@bcit.ca)

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**Text:**

**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.

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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.

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**Reading List**


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CHAPTER	TOPIC
1	Why Study Money, Banking, & Financial Markets
2	An Overview of the Financial System
5	The Behavior of Interest Rates
6	The Risk and Term Structure of Interest Rates
7	The Foreign Exchange Market
8	An Economic Analysis of Financial Structure
11	Economic Analysis of Banking Regulation
13	Financial Derivatives
27	Theory of Rational Expectations & Efficient Capital Markets
14	Structure of Central Banks and the Bank of Canada
18	Conduct of Monetary Policy: Goals & Targets
25	Transmission Mechanisms of Monetary Policy: The Evidence
24	Aggregate Demand & Supply Analysis
22	The Keynesian Framework & the ISLM Model
23	Monetary & Fiscal Policy in the ISLM Model

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**Course Notes (Policies and 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, tests, 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.

*This outline is subject to change at the instructor's discretion.*

**Prior Learning Assessment Method:** *(enter N/A if not available)*

N/A

**Course Record:**

<b>Developed by:</b> <i>(Instructor)</i> Richard Miles	<b>Date:</b> January 2002
<b>Revised by:</b> <i>(Instructor)</i> N/A	<b>Date:</b>
<b>Approved by:</b> <i>(Associate Dean )</i>	<b>Date:</b> January 2002