



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline

School of Business  
Program: Financial Management

**FMGT 4570: Money and Banking**  
**January 2001**

<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 BBA, MA (Econ) Office No.: SE6 307

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Office Hrs.: See my door

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### Text:

### Required:

Mishkin, F.S. (2001). *The Economics of Money, Banking, and Financial Markets. Sixth 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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**Evaluation**

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LAB ASSIGNMENTS & QUIZZES	25%
TERM TEST #1	17.5%
MIDTERM	20%
TERM TEST #2	17.5%
FINAL EXAMINATION	20%

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**Evaluation Details**

- *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. Late, typed, or jointly completed assignments will not be accepted. Assignments will be graded as either Satisfactory or Unsatisfactory.
- *Quizzes* will be given in lab at various points throughout the term and will not be announced in advance.
- *Term tests and examinations* will be a combination of multiple choice and written questions. The written 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 both exams. You must also achieve a minimum 50% weighted average score over the combination of term tests and exams before lab assignment and quiz 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 exams to pass the course.

## Reading List

CHAPTER	TOPIC
1	Why Study Money, Banking, & Financial Mkts
2	An Overview of the Financial System
4	Understanding Interest Rates (pg. 82-89)
5	The Behavior of Interest Rates
6	The Risk and Term Structure of Interest Rates
7	The Foreign Exchange Mkt.
8	An Economic Analysis of Financial Structure
9	The Banking Firm & Mgmt. the of Financial Institutions
11	Economic Analysis of Banking Regulation
12	Non-Bank Financial Institutions
13	Financial Derivatives
27	Theory of Rational Expectations & Efficient Capital Mkts
Handout	BOC Tools of Monetary Policy, Goals & Targets, Transmission Mechanisms
19	The International Financial System
20	Monetary Policy Strategy: The International Experience
26	Money & Inflation
28	Rational Expectations: Implications for Policy

## 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.
- Students will be required to produce photo-identification in order to write exams at BCIT. 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 drivers license. Please see BCIT Policy #5300, Formal Invigilation Procedures. This policy is effective December 2000.

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