



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline

School of Business
Program: Financial Management

FMGT 4570: Money and Banking
January 2000

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

Instructor

Richard Miles BBA, MA

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Office Hrs.: See my door

rmiles@bcit.bc.ca**Text:****Required:**

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

Reference:

Bank of Canada. (1996) *The Transmission of Monetary Policy in Canada.*

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.

Course Description

This course focuses on monetary and financial economics in Canada and the role of financial assets and how they impact the economy. The institutional structure and the role of the Bank of Canada and its ability to control the money supply is examined. The importance of international trade and investment with respect to Canada's position in the global economy is assessed.

Evaluation

TERM TEST #1	30%
TERM TEST #2	25%
PRESENTATION / HANDOUT	20%
FINAL EXAMINATION	25%

Assignment Details

A major presentation relating to the transmissions of monetary policy will be required in the second part of the course. Groups of two or three will prepare a one-hour presentation centred on a Bank of Canada article selected by the instructor. As part of the presentation each group will prepare a three to five page handout for set members to use as learning and study tool. All material presented is considered testable material for the presenters and other set members. Further information relating to the presentation will be distributed during the term.

Reading List

Week / Lecture	Topics	Readings
1	Review of Monetary & Fiscal Policy –Principles Macro Economics	Notes
2	Review Con't.	Notes
3	Introduction to the ISLM model	Handout
4	Monetary & Fiscal Policy in the ISLM Model	Handout
5	Money, Monetary Standards & Payment Systems	Chapter 1
6	Financial Assets: Their Nature, Price & Yield	Chapter 3
7	The Level & Structure of Interest Rates	Chapter 4
8	Financial Markets	Chapter 5
9	TERM TEST #1	
10	SPRING BREAK	
11	Payments Intermediation, Risk & Risk Management	Chapter 8
12	The Bank of Canada	Chapter 14
13	Monetary Policy & its Objectives	Chapter 15
14	The Demand for Money	Chapter 19
15	TERM TEST #2	
16	Monetarism & the Quantity Theory of Money	Chapter 20
17	Exchange Rates & International Payments Transactions	Chapter 22
18	Special Topics – TBA	Handout
19	Special Topics – TBA	Handout
20	FINAL EXAM	

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.