



JUN 29 1998

Course Outline **Part A**

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Corporate Finance

Option: Financial Planning

FMGT 4570

Money and Banking

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

Prerequisites

FMGT 4570 is a Prerequisite for:

Course No.	Course Name	Course No.	Course Name
ECON 2100	Microeconomics		
ECON 2200	Macroeconomics		

Course Goals

The 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 aim is to critique the effectiveness of government policy to influence the level of economic activity. The importance of international trade and investment and Canada's position in the global economy is assessed.

Course Description

Examines the principles of money, credit creation and banking; central banking; objectives and techniques of monetary control; financial assets and financial markets; money and the international economy.

Evaluation

Final Examination	40%	May Exam Week
Midterm Examination	30%	March Exam Week (about March 2)
Test	30%	Thursday, April 16, 1998
TOTAL	100%	

Course Outcomes and Sub-Outcomes

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

1. Apply economic data to predict the phase of the business cycle.
2. Evaluate how shifts in demographics, savings and investment impact growth.
3. Evaluate how our financial institutions affect the functioning of our economic system. Understand money market instruments and the credit creation process.
4. Critically assess the effectiveness of the Bank of Canada's monetary policy.
5. Analyze government fiscal policy, deficit and debt.
6. Analyze how the foreign exchange market is affected by Canada's Balance of Payments.
7. Evaluate Canada's position in the global economy.

Course Record

Developed by:

DICKHOFF
Instructor Name & Department (signature)

Date: 98 Jan 5

Revised by:

Instructor Name & Department (signature)

Date:

Recommended by:

DICKHOFF
Program Head Name & Department (signature)

Start Date: 98 Jan 5

Approved by:

Carol Farrell
Associate Dean/Dean Name & Dept. (signature)

Start Date: 98 Jan 5



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

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Course Outline **Part B**

FMGT 4570

Money and Banking

Effective Date

January, 1998

Instructor(s)

C.J. Dickhoff

Office No.:

SE6-305

Phone:

451-6782

Office Hrs.:

By appointment and
as posted.

Text(s) and Equipment

Required:

Binhammer, H.H. (1998). *Money, Banking and the Canadian Financial System*. Seventh Edition.
Scarborough: Nelson Canada Publications.

Recommended:

Texts:

Bank of Canada. *Annual Report of the Governor to the Minister of Finance*. Various Issues.

Bank of Canada Review. Published Monthly.

Bank of Canada. *Money Markets and Central Bank Operations*. Ottawa, Ontario, Bank of Canada. 1996.

Cameron, Norman E. (1992). *Money, Financial Markets and Economic Activity*. Second Edition.
Don Mills, Ontario: Addison-Wesley.

C.D. Howe Institute. Various Publishers.

Canadian Bankers' Association. *The Canadian Banker*. Published Bi-Monthly.

Sarpkaya, S. (1984). *The Money Market In Canada*. Third Edition. Don Mills, Ontario: CCH Canadian Limited.

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

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

Recommended:

Web Sites. For recent current market rates, press releases and lots of other useful information.

1. Bank of Canada (<http://www.bank-banque-canada.ca>)
2. Bank of Montreal (<http://www.bmon.com>)
3. Business Development Bank of Canada (<http://www.bdc.ca>)
4. Canada/British Columbia Business Service Center (<http://www.sb.gov.bc.ca/smallbus/sbhome.html>)
5. Mutual Funds (<http://www.globefund.com>)
6. Royal Bank (<http://www.royalbank.com>)
7. SeaQuest Business Resources Center Site (<http://www.webcom/seaquest/sbrs>)
8. Statistics Canada Site (<http://www.statcan.ca/index/html>)
9. Stock Watch (<http://www.stockwatch.ca>)
10. System for Electronic Document Analysis and Retrieval (SEDAR) (<http://www.sedar.com>)
11. The Fraser Institute (<http://www.fraserinstitute.ca>)
12. Toronto Dominion Bank (<http://tdbank.ca/tdbank/bizexch/index.htm>)
13. U.S. Security Exchange Commission (EDGAR) (<http://www.sec.gov>)

Course Notes (Policies and Procedures)

Attendance Requirements

Attendance requirements will be enforced as per the BCIT Policy in the Calendar. Excessive absence will be deemed to be missing more than 2 *labs* for reasons within the student's control. Upon notification of excessive absence and failure to provide adequate explanation, the student will be disqualified from writing the final examination.



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Schedule

FMGT 4570
Money and Banking

Week of/ Number	Outcome/Material Covered	Reference/Reading
1	Financial Markets	Ch. 5
2-3	Financial Instruments: The Money Market	Ch. 18, pp. 360-363
4-5	Financial Instruments: The Money Market	Ch. 8, pp. 166-170
6-7	Commercial Banks as Creators of Money	Ch. 1, pp. 14-28, Ch. 7
8	The Banking System and the Money Supply	Ch. 13, pp. 221-240
9	MIDTERM EXAM, March Exam Week	
10	SPRING BREAK, March 9-13	
11	Origin and Functions of the Bank of Canada	Ch. 14
12	Monetary Control: Central Bank Instruments	Ch. 16
13	Monetary Control: Cash Management	Ch. 17
14	Monetary Policy and its Objectives Goals: Compromise and Trade-Offs	Ch. 15
15	Implementation of Monetary Policy QUARTER-TERM EXAM, Thursday, April 16	Ch. 18; Ch. 27, pp. 556-562
16	The Modern Quantity Theory (Monetarism) Monetary Policy Effectiveness	Ch. 20, pp. 404-409 Ch. 21, pp. 416-420
17	Money and the International Economy	Ch. 22
18	Balance of Payments	Cont'd., pp. 433-439, Ch. 26, pp. 515-516
19	Foreign Exchange Hedging Foreign Exchange Risk	Cont'd., pp. 439-445, Ch. 26, pp. 535-540 Cont'd., pp. 452-459
20	TERM EXAMINATION	