

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: MONEY AND BANKING

CODE NO.: ECN204 SEMESTER: FOUR

PROGRAM: BUSINESS GENERAL

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DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

MONEY AND BANKING

ECN204

COURSE NAME

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GENERAL:

The study of economics requires that we examine many economic aspects but none is more important than the subject of money.

While money is not the only factor influencing economic activity, it is extremely difficult to think of a modern economic system without this form of currency. Recent changes in the exchange rate (e.g. the value of the Canadian dollar in relation to the U.S. dollar, etc.), and the freeing up of international trade in the form of G.A.T.T. and N.A.F.T.A. agreements provide even more significance to the study of the role of money.

Since money is so vital to us, personally and to our economic system, it is important that we understand what it is, what it can do, how it is controlled and how it affects economic activity.

This course is designed to examine and analyze the foregoing questions as well as new developments as we enter into the globalization of business in the 90s.

OBJECTIVES:

1. To provide the student with the knowledge of the roles of money and the Canadian monetary system.
2. To stress the importance of and to provide an understanding of the role of fiscal and monetary policies and their relationship to the Canadian banking system.
3. To assist the student in understanding the significance of Central Banking and the Commercial Banking process in Canada.
4. To examine roles of money markets and interest rates and the measure of economic activity.
5. To outline the significance of foreign exchange, the international economy and the balance of payments.

METHODOLOGY:

A variety of methods may be employed to cover the course content depending on the size of the class and the commitment and involvement of the students. The methods may include lecture, discussions, study groups, and student presentations. Students will be required to read and understand the relevant chapters of the textbook and other assigned readings. Student projects and/or presentations must also be completed as assigned.

EVALUATION AND MARKING SCHEME:

Students will be evaluated on the following basis:

Projects (group and individual)	10%
Assignments & Quizzes (group & individual)	20%
First test	15%
Second test	20%
Final test (semester work)	35%
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	100%

Dates of tests will be announced approximately one week in advance. Quizzes and assignments will be announced at least one class before they are due. No make-ups will be given, but consideration may be made for students who are unable (for legitimate reasons in the professor's opinion) to attend the specific class. Thus, attendance is an important requirement of this course.

If a student is not able to write a test, assignment, or quiz because of illness or a legitimate emergency, that student must contact the professor prior to the test and provide an explanation which is acceptable to the professor. (Medical certificates or other appropriate proof may be required). In all other cases, the student will receive a mark of zero for that test, assignment, or quiz and must repeat the course. There will be no re-writes of any semester test/quiz or final test.

FINAL GRADE:

The final grade will be based on the following scale:

A+	90-100%
A	80- 89%
B	70- 79%
C	60- 69%
R	Repeat - under 60%

Each student must meet the following requirements in order to complete the course successfully.

1. Must complete, in a fashion acceptable to the professor, all projects and other assignments.
2. Must write two tests, final exam and quizzes. If a student misses any of the above and has not made appropriate arrangements as outlined above, he/she will receive a mark of zero for that test/exam.
3. Must have an overall mark of 60% This mark includes all work in the semester.

Students who are not successful in achieving the minimum overall mark of 60% and/or do not complete the required assignments in an acceptable fashion, as they are due, will not be successful in this course from a grading point of view, and will be required to repeat the course.

REQUIRED TEXT:

Money, Banking and the Canadian Financial System, sixth edition, by H.H. Binhammer, Nelson

RESOURCE MATERIAL:

1. Money, Financial Markets and Economic Activity, 2nd edition, by Norman E. Cameron; Addison-Wesley; 1992
2. An Introduction to Canadian Financial Markets, Alexander MacMillan; Prentice-Hall Canada Inc., 1989
3. Money and Banking: Analysis and Policy in a Canadian Context, 2nd edition, Gordon F. Boreham with Eli Shapiro, Ezra Soloman, and William White; Holt, Rinehart and Winston.
4. The Financial Post and other current publications.

NOTE:

All assignments must be submitted to the professor at the beginning of class of the due date. Assignments may be submitted in advance but no assignments will be accepted after the stated deadline. It is the student's responsibility to ensure that the professor gets the completed assignments.

Questions assigned for homework must be completed promptly and be available at any time to be submitted for evaluation. They too will be collected at the beginning of class.

Assignments not submitted in accordance with these requirements will be given a mark of zero.

Quizzes, tests, assignments, projects, etc. will be returned to students during one of the normal class times. Any student not present at that time must pick up his/her test, etc. at the teacher's office within three weeks after that class. Tests, etc. not picked up within the three weeks will be discarded.

End of semester tests and assignments will be held for three weeks. If they are not picked up by students within that three-week period, the tests, assignments, etc. will be discarded.

Tests, etc. will be returned only to those students to whom they belong.

MONEY AND BANKING
WEEKS

TOPIC

CHAPTER ECN204

1-3	Money, Monetary Standards and Payment Systems	1-3 inclusive
4-5	Financial Markets, Asset Prices and Interest Rates * selected readings TBA chapters 4-7 inclusive	*
6-7	Financial Intermediation * selected readings TBA chapters 8-11 inclusive	*
8-11	The Development of Canadian Banking & Financial Institutions	12-15 inclusive
12-15	Central Banking & Monetary Control	16-20 inclusive