

GRANDE PRAIRIE REGIONAL COLLEGE
DEPARTMENT OF HUMANITIES AND SOCIAL SCIENCE

EC 3410

MONEY AND BANKING

INSTRUCTOR: EBBY ASLANI WINTER, 1993
OFFICE: C 423
PHONE: 539 2973
OFFICE HRS: Mon., Wed., Fri. 11:00 - 12:00
Or by Appointment

I COURSE OBJECTIVE:

This course is designed to introduce students to the significance of money and credit, financial intermediation, commercial and central banking, and monetary policy in the Economic Process. Emphasis will be placed on the Canadian economy and the policy of Bank of Canada, high (low) rate of interest in order to reduce inflation in 90 (recession in 91).

* * EC 201 and EC 202 are prerequisites.

II TEXTBOOK:

Money, Banking and The Canadian Financial System, Fifth Edition; H. H. Binhammer, Nelson Canada, 1988.

Other References:

The Economics of The Canadian Financial System, Second Edition; R.A. Shearer, J.F. Chant and D.E. bond, Prentice-Hall, 1984.

An Introduction To Canadian Financial Markets, Analytical approach; Alexander macMillan, prentice-hall Canada inc., Scarborough, 1989.

Modern Money and Banking, Second Edition, R. L. Miller & R. W. Pulsinelli, McGraw-Hill, 1989.

Money, Financial Markets & economic Activity, Norman E. Cameron, Addison-Wesley, 1984.

Orientation to Banking, ; Institute of Canadian Bankers J. Cspes and T. E. Raynor, Prentice-Hall, 1989.

Articles:

Buckle, L. "The 'Four Pillars'," The Canadian Banker, Vol. 92, No. 1, Feb. 1985, pp. 14-18.

Canadian Banker, "Responding to the Public Interest Vol. 92, No. 5, Oct. 1985, pp 6-11.

Carr, J. and Turubull, S., "Regulations and the Green Paper," The Canadian Banker, Vol. 92, No. 5, Oct 1985, pp. 12-15.

The suggested articles are generally considered to be an important and helpful approach to student understanding of text materials. You will find them under reserved section in library.

III STUDENT EVALUATION:

Grade will be assigned on the basis of student performance in two assignments, one term-paper one 50-minute mid-term exam and one 2-hour final exam. the exam's date and weights are as follows:

Two Assignments		30%
Mid-Term Exam	(Monday) Feb. 22	30%
Final Exam	April	<u>40%</u>
Total		100%

IV GRADE DETERMINATION:

All grades are first recorded as percentages. After the final exam, the weighted average (.15 each assignment, .30 mid-term and .40 final exam) of the percentages will be converted to the college nine-point system according to the following table:

9 = 90 - 100%	4 = 50 - 56%
8 = 80 - 89%	3 = 45 - 49%
7 = 72 - 79%	2 = 26 - 44%
6 = 65 - 71%	1 = 0 - 25%
5 = 57 - 64%	

Note: Except for the adjustment of the raw grades of assignment, grades are not changed. Moreover, the final grades are not determined with reference to any curve. As well, at any point of time the student may find out exactly where he/she stands (compared with his/her goal).

V COURSE OUTLINE:

Unless otherwise stated, all chapter references are made with respect to H. H. Binhammer, Money, Banking and The Canadian Financial System.

A. Introduction:

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|---------------------------------------|----------|
| 1. The Function & Evaluation of Money | Ch. 1 |
| 2. Money & the payment System | Ch. 2, 3 |

B. Financial Markets:

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| 1. An Introduction To The Flow of Funds | Ch. 4 |
| 2. Financial Assets | Ch. 5 |
| 3. The Level & Structure of Interest Rate | Ch. 6 |
| 4. Financial Markets | Ch. 7 |

C. Financial Intermediation:

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| 1. Financial Intermediation | Ch. 8 |
| 2. Intermediation & The Creation of Money | Ch. 9 |
| 3. Risk & Risk Management | Ch. 10 |
| 4. Regulation of Financial Intermediation | Ch. 11 |

D. The Canadian Banking System:

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|---------------------------------|--------|
| 1. The Chartered Banks | Ch. 13 |
| 2. The Near Banks | Ch. 14 |
| 3. Other Financial Institutions | Ch. 15 |

E. Bank of Canada & Monetary Policy :

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| 1. Central Banking | Ch. 16 |
| 2. Monetary Policy & Its Objectives | Ch. 17 |
| 3. Monetary Control | Ch. 18, 19 |
| 4. Determination of the Monetary Base: | Ch. 20 |

F. Money & Monetary Policy:

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| 1. The Demand For Money | Ch. 21 |
| 2. The Quantity Theory of Money | Ch. 22 |
| 3. The Keynesian View | Ch. 23 |
| 4. Equilibrium in Money Market | Ch. 24 |
| 5. Equilibrium in Money & Product market | Ch. 25 |
| 6. Output, Price & Inflation | Ch. 26 |
| 7. Is Monetary Policy Effective | Ch. 27 |
| 9. Canadian Monetary Policy: A Review | Ch. 35 |

G. Money & the International Economy

Ch. 28 - 34

VI NOTES:

1. It is strongly advisable that the appropriate chapters are read prior to each lecture since this is generally considered to be an important and helpful approach to the study of economics and the students are better prepared to absorb the lectures.
2. Failure to withdraw from the course before the official withdrawal deadline may result in an "F" grade because a mark of 0% will be assigned to the incomplete portion of the course work.
3. Absence from class will not be accepted as a legitimate reason for failure to submit an assignment or to attend an exam on time.
4. Students are advised to consult the academic schedule, published in the College Calender, as to the dates set aside for the scheduling of final exams and not to make plans for travel, holidays, employment, etc. which would affect their availability to write an exam on any of those days until the final exam schedule is determined.
5. Students are encouraged to contact the instructor regarding any questions pertaining to course materials or their performance in the course. remember that your instructor is here to help you learn, not to make things hard for you. It is a great pleasure to see you in the office for consultation and discussion whenever you feel the need.

BEST WISHES!