

GRANDE PRAIRIE REGIONAL COLLEGE
DEPARTMENT OF ART EDUCATION & COMMERCE
EC 3410
MONEY AND BANKING

INSTRUCTOR: EBBY ASLANI
OFFICE: C 423
PHONE: 539 2973
OFFICE HRS: M, W, F 2:00 3:00

WINTER, 1999

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, low rate of interest in order to stimulate the economy.

* * EC 201 and EC 202 are prerequisites.

II TEXTBOOK:

Money, Banking and The Canadian Financial System, late Edition; H. H. Binhammer, Nelson Canada, 1997.

Other References:

The Economics of The Canadian Financial System, R.A. Shearer, J.F. Chant and D.E. bond, Prentice-Hall, 1995.

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

III STUDENT EVALUATION:

Assignment # I	Tuesday	Feb. 16	20%
Presentation	date will be determined for each student		20%
Mid-Term Exam #I	Tuesday	Feb. 16	20%
Assignment # II	Tuesday	March 23	20%
Mid-Term Exam #II	Tuesday	April 8	20%
Total			100

IV 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