

COURSE SPECIFICATION DOCUMENT

Academic School/Department:	Business and Economics
Programme:	BA (Hons) Economics with Combined Studies BA (Hons) Financial Economics with Combined Studies BA (Hons) Business Administration: Finance BSc (Hons) Accounting and Finance
FHEQ Level:	6
Course Title:	Money and Banking
Course Code:	FNN 6200
Course Leader:	Ivan Cohen
Student Engagement Hours:	120
Lectures:	45
Seminar / Tutorials:	
Independent / Guided Learning:	75
Semester:	Fall/Spring
Credits:	12 UK CATS credits 6 ECTS credits 3 US credits

Course Description:

This course focuses on the role of money and other financial instruments within the macroeconomy. The operations and behaviour of commercial and other banks and other financial institutions is examined from a strategic viewpoint, along with the role of central banks and regulators. Some of the controversies about the effectiveness of regulatory and monetary policies are also considered.

Prerequisites: ECN 4105 or ECN 4110

Aims and Objectives:

The principal objective is to enable students to understand the functions and operations of banking systems generally, with particular reference to those in the UK and US. Students should appreciate the similarities and differences between countries, and understand and the role of the banking system in the macroeconomy.

Programme Outcomes:

Economics/Financial Economics:

A1-A5

B1-B4

C1-C4, C6, C7

Business Administration:

A1-A7

B1-B5

C1-C2

D1-D5

Accounting and Finance:

A1, A4

B1, B2

C1

D1

D3

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at: <http://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes:

By the end of this course, successful students should be able to:

Knowledge and Understanding:

On successful completion of the course, students will be able to:

1. Explain the functions and operations of financial instruments.
2. Demonstrate an understanding of the functions and operations of financial institutions, particularly banks.
3. Develop an understanding of the role of central banks, their objectives and tools.
4. Discuss regulatory issues in the financial system.
5. Develop an understanding of monetary policy and its effects on the macroeconomy.

Cognitive Skills

On successful completion of the course, students will be able to:

1. Apply economic principles to the determination of interest rates.
2. Apply economic principles to the determination of exchange rates, in both spot and forward markets.
3. Explain the concepts of interest rate parity and purchasing power parity and apply those to given quantitative data.

Practical and/or Professional Skills

On successful completion of the course, students will be able to:

1. Determine cause-and-effect relationships in financial crises.
2. Appreciate and explain the relationships between variables in the real economy and variables in the financial markets.

Key Skills

On successful completion of the Course, students will be able to:

1. Demonstrate effective oral and written communication skills in a range of media.
2. Develop strong analytical skills through listening and reflecting.

Indicative Content:

1. Introduction: what is money?
2. Overview of money and capital markets.
3. Determination of interest rates, including the term structure of interest rates (TSIR)
4. Money market instruments.
5. Capital market instruments.
6. Foreign exchange markets; spot
7. Depository institutions: commercial banks and building societies (S&Ls).
8. The demand for money
9. The supply of money, including the multiplier
10. Regulation of money and banking
11. Central banks, including the role of independence
12. Monetary policy: objectives and tools

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board.

Teaching Methodology:

The course is taught using a variety of methods including lectures, question sessions, directed and undirected reading, case studies, group work, and discussions.

Bibliography:

Cecchetti, S. and Schoenholtz, K., 2017. *Money, Banking, and Financial Markets*. New York: McGraw-Hill.

Ritter, L.S., Silber, W.L., and Udell, G.F., 2007. *Principles of Money, Banking, and Financial Markets*. Pearson.

Pilbeam, K., 2010. *Finance and Financial Markets*. London: Palgrave Macmillan.

Journals

Journal of Finance
American Economic Review
Economic Journal

Web Sites

The Economist (www.economist.com)
The Financial Times (www.ft.com)
The Wall Street Journal (online.wsj.com)

