

## **COURSE SPECIFICATION DOCUMENT**

**NOTE:** ANY CHANGES TO A CSD MUST GO THROUGH ALL OF THE RELEVANT APPROVAL PROCESSES, INCLUDING AB (FORMERLY LTPC).

<b>Academic School/Department:</b>	Business and Economics
<b>Programme:</b>	BA (Hons) Economics with Combined Studies BA (Hons) Financial Economics with Combined Studies BA (Hons) Business Administration: Finance BSc (Hons) Accounting and Finance
<b>FHEQ Level:</b>	6
<b>Course Title:</b>	Money and Banking
<b>Course Code:</b>	FNN 6200
<b>Course Leader:</b>	Ivan Cohen
<b>Student Engagement Hours:</b>	120
Lectures:	45
Seminar / Tutorials:	
Independent / Guided Learning:	75
<b>Semester:</b>	Fall/Spring
<b>Credits:</b>	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, 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 are found in the Programme Specification.

This is located at the archive maintained by the Academic Registry and found 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. Moneymarket instruments.
5. Capital marketinstruments.
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 Richmond University Assessment Norms approved at Academic Board (formerly Learning & Teaching Policy Committee) and located at: <http://www.richmond.ac.uk/admitted-students/>

**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](http://www.economist.com))

The Financial Times ([www.ft.com](http://www.ft.com))

The Wall Street Journal ([online.wsj.com](http://online.wsj.com))

See syllabus for complete reading list

***Indicative Text(s):***

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

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Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Academic Registry
Major	Content change due to condition for validation ACC&FNN, overlap with FNN 5205, FNN 6200	25 <sup>th</sup> March 2015	