

Money and Banking
FNB 250
Spring 2015

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Course Description

This course is an analysis of the organization and operation of our financial system, including money and capital markets, commercial banking, and other financial institutions such as commercial finance companies. The relationship between financial and economic activity including monetary and fiscal policy is demonstrated.

Prerequisites/Co-requisites

Students must have passed ENG 095, ESL 095, ACR 094, MAT 051/012, FNB 100, and ECO 100, or ECO 201, or ECO 202.

Student Learning Outcomes

1. To develop a thorough understanding of the economic environment in which banks must operate.
2. To comprehend the role of the Federal Reserve System in creating monetary policy designed to promote economic stabilization in furtherance of achieving the dual mandate of price level stability and maximum employment while assuring moderate long term interest rates and financial system stability
3. To develop a thorough understanding of the different important financial institutions and their functions as well as different types of financial instruments.
4. To develop a clear understanding of major issues of public policy in the monetary area and the interaction of monetary and fiscal policies.
5. To understand the short-run and long-run interactions of monetary policy with regard to unemployment, inflation, economic growth, fiscal policy, and exchange rate stability.

Upon completion of this course, the student should be able to:

1. Read and interpret economic and financial data and statistics. To be able to locate, organize, and incorporate substantial amounts of data into a presentation in order to create a comprehensive and coherent analysis designed to explain current and future economic and financial conditions.
2. Analyze current Federal Reserve monetary policy and forecast Federal Reserve monetary policy based on current economic conditions.
3. Understand and analyze developments in national economic policy and government regulations especially as to the effect on commercial banks.

Required Text & Readings

Ball, Lawrence S., *Money, Banking and Financial Markets*, Worth Publishing, 2nd edition (to be purchased) (ISBN: 0-201-77035-0).

Other Resources

Newspapers: The New York Times, The Wall Street Journal, Bloomberg News website, Stlouisfed.org

Evaluation & Requirements of Students

Final grades may be determined as follows:

1.	Class Quizz/Analysis of Financial Industry	15%
2.	Midterm Examination	35%
3.	Final Examination	40%
4.	Choose topics to prepare FED policy recommendations	<u>10%</u>
		100%
	Extra Credit: Fed Challenge Group Participation	20%

Outline of Topics

WEEK	<u>COURSE OUTLINE</u>	<u>TEXTBOOK CHAPTERS</u>
	<u>Topics</u>	
	Foundations	1, 2
1	Financial Markets (Interest Rates, Asset Prices and Interest Rates, Securities Markets, Foreign Exchange Markets)	3, 4, 5 6
2	Banking (Asymmetric Information, The Banking Industry, The Business of Banking, Banking Regulation).	7, 8, 9, 10
3	Money and the economy (The Money Supply and Interest Rates, Economic Fluctuations, Inflation and Deflation)	11, 12, 13, 14
4	Monetary Policy (Policies for Economic Stability, Monetary Institutions)	15, 16, 17, 18
5	REVIEW AND FINAL EXAM	

College Attendance Policy

At BMCC, the maximum number of absences is limited to one more hour than the number of hours a class meets in one week. For example, you may be enrolled in a three-hour class. In that class, you would be allowed 4 hours of absence (not 4 days). In the case of excessive absences, the instructor has the option to lower the grade or assign an F or WU grade.

Academic Adjustments for Students with Disabilities

Students with disabilities who require reasonable accommodations or academic adjustments for this course must contact the Office of Services for Students with Disabilities (Room N320; Telephone # 212-220-8180). BMCC is committed to providing equal access to all programs and curricula to all students.

BMCC Policy on Plagiarism and Academic Integrity Statement

Plagiarism is the presentation of someone else's ideas, words or artistic, scientific, or technical work as one's own creation. Using the idea or work of another is permissible only when the original author is identified. Paraphrasing and summarizing, as well as direct quotations require citations to the original source. Plagiarism may be intentional or unintentional. Lack of dishonest intent does not necessarily absolve a student of responsibility for plagiarism.

Students who are unsure how and when to provide documentation are advised to consult with their instructors. The library has guides designed to help students to appropriately identify a cited work. The full policy can be found on BMCC's web side, www.bmcc.cuny.edu. For further information on integrity and behavior, please consult the college bulletin (also available online).