

Huron University College
Money 2154

D. McKeon

Office: # A8

Office hours: Tuesday 12-1 dependent on public health restrictions.

Course Objectives:

This course is an introduction financial markets, financial institutions and monetary policy. In the first part of the course emphasis will be placed on the application of economic analysis to understanding the determination of interest rates and asset prices.

The second part of the course will be concerned with central banking, inflation and wider issues currently facing monetary authorities worldwide.

Course Learning Outcomes:

Upon completion of this course, students will:

- Understand the basic mechanics of a monetary system
- Be able to understand the communications of central bankers to the public and critically asses them.
- Be able to evaluate the importance of financial institutions in the wider economy.
- Be able to evaluate the linkage between the policies of central banks and financial markets.
- Gain exposure to risk management techniques used by financial institutions.
- Understand the current issues surrounding the regulation of banks.

Textbook(s):

The Economics of Money, Banking and Financial Markets, Miskin Frederic and Apostolos Serletis 7th Canadian edition, Addison Wesley, 2020 . (Earlier or online editions are fine.)

Assignments

There are **no problem sets that are you must hand in** for marks. However, I do problems in class and assign problems from time to time. You are advised to do the problems and, more importantly, understand the meaning of the results and relevance of the problem solving process. Often, but not necessarily, exam questions are loosely based on these examples.

Additional readings/videos may be assigned as the course progresses- **THESE READINGS /VIDEOS ARE SUBJECT TO EXAMINATION.**

Assessment

Midterm I.....	31%
Midterm II.....	31%
Final Test.....	38 %

Important Tentative Dates

Midterm I.....	February 1
Midterm II.....	March 15
Final Test.....	set by registrar.

NB. Students MUST keep abreast of course developments on an ongoing basis. Any changes to the course will be announced in class. **Attendance is required for this course.** **Failure to keep up with course changes or date deadlines will not be considered for grade accommodations.**

No makeup tests will be given. If student misses a test, the weight of the missed test will be reallocated to the final exam. This is **the only method** of accommodation for missed tests that will be used in this course.

NB. Students MUST keep abreast of course developments on an ongoing basis.

Course Outline

PLEASE NOTE ----the following list of topics and chapters is **tentative**. Deletions and additions, as well as the sequence of topics, may change as the course progresses. It is incumbent on course participants to be aware of these changes. Absence from class will not be accepted as an excuse for not knowing about any changes.

Introduction	Chapter2
Money definitions and functions.....	Chapter 3
Behaviour of Interest rates.....	Chapters 4, 5
*Duration (introduction).....	...Class notes
Term structure and Yield Curve.....	Chapter 6
Stock Markets.....	Chapter 7

Financial Institutions.....Chapters 8, 9, 10
Risk Management.....Chapters 12, 13,
Central BankingChapter 14, 15,
Monetary Policy.....Chapter 16, 17
Monetary Theory.....Chapters 20, 22, 23 24, 25 26

* This topic may be taught out of sequence.

N.B. This course is subject to course grade adjustments. Adjustments are made to maintain the value of your degree. Your grade may be adjusted **up or down**. These adjustments will normally be made at the end of the semester after all grades have been processed. The normal overall average for this course is 68- 72.

Students who are opposed to this **policy should not take this course.**