

**ITT Technical Institute**  
**BU323**  
**Money and Banking**  
**Onsite Course**

**SYLLABUS**

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**Credit hours:** 4

**Contact/Instructional hours:** 40 (40 Theory Hours)

**Prerequisite(s) and/or Corequisite(s):**

Prerequisites: GE274 Macroeconomics or equivalent, BU112 Accounting II, BU121 Introduction to Business in a Global Society

**Course Description:**

This course introduces basic concepts and principles relating to money and banking, financial institutions and monetary policy, and how these concepts relate to economic activity and the activities of the Federal Reserve, U.S. Treasury and international economy.

## Syllabus: Money and Banking

Instructor:	_____
Office hours:	_____
Class hours:	_____

### Major Instructional Areas

1. Relationship between economic variables and the money supply
2. Financial systems and their interaction with businesses
3. Banking and financial instruments and governmental regulations
4. International considerations in monetary exchange
5. The Federal Reserve and monetary policy

### Course Objectives

1. Analyze the significance of the banking industry, its structure, and its various roles.
2. Evaluate the impact that changes in the global economy have on the financial markets.
3. Analyze the impact of technology on banks and other financial institutions.
4. Differentiate between levels of risk and methods to mitigate risk in foreign investments.
5. Evaluate the role of the central bank in the economy and in regulation of financial services.
6. Analyze the effects of changing interest rates on the economy and business investment.
7. Analyze how recent changes in the banking and financial services industry have affected businesses and consumers by researching four to six articles from scholarly journals and periodicals.

### SCANS Objectives

SCANS is an acronym for Secretary's Commission on Achieving Necessary Skills. The committee, created by the National Secretary of Labor in the early 1990s, created a list of skills and competencies that the committee feels are necessary for employees to function in a high-tech job market.

1. Effectively identify, evaluate, organize, maintain, and interpret data and information to maximize economic efficiency.
2. Analyze the overall intent of applying technology and interpret the desired results.
3. Apply existing and new knowledge to understand the recent changes in the banking industry.
4. Use computers, the Internet, or the ITT Tech Virtual Library to process, organize, and analyze information.
5. Effectively present ideas or data using oral, written, or graphical methods.

### Course Outline

Note: All graded activities, except the project and the midterm and final exams, are listed below in the pattern of <Unit Number>.<Assignment Number>. For example, Quizzes: 3.1 refers to the first quiz in Unit 3.

Unit	Activities
1— Introduction to Money	<ul style="list-style-type: none"> <li>• Content Covered: <i>The Economics of Money, Banking and Financial Markets</i></li> </ul>

Unit	Activities
and Banking	<ul style="list-style-type: none"> <li>○ Chapter 1, “Why Study Money, Banking, and Financial Markets?”</li> <li>○ Chapter 2, “An Overview of the Financial System”</li> <li>● Writing Assignments: 1.1</li> </ul>
2— Understanding Money and Interest Rates	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 3, “What Is Money?”</li> <li>○ Chapter 4, “Understanding Interest Rates”</li> </ul> </li> <li>● Writing Assignments: 2.1</li> </ul>
3— The Behavior and Structure of Interest Rates	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 5, “The Behavior of Interest Rates”</li> <li>○ Chapter 6, “The Risk and Term Structure of Interest Rates”</li> </ul> </li> <li>● Writing Assignments: 3.1</li> <li>● Quizzes: 3.1</li> </ul>
4— The Financial Structure and Financial Crises	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 8, “An Economic Analysis of Financial Structure”</li> <li>○ Chapter 9, “Financial Crises and the Subprime Meltdown”</li> </ul> </li> <li>● Writing Assignments: 4.1</li> </ul>
5— Banking Management and Financial Regulation	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 10, “Banking and the Management of Financial Institutions”</li> <li>○ Chapter 11, “Economic Analysis of Financial Regulation”</li> </ul> </li> <li>● Writing Assignments: 5.1</li> </ul>
6— The Banking Industry	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 12, “Banking Industry: Structure and Competition”</li> </ul> </li> <li>● Writing Assignments: 6.1</li> <li>● Midterm Exam</li> <li>● Project Part 1</li> </ul>
7— The Federal Reserve System and the Money Supply Process	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 13, “Central Banks and the Federal Reserve System”</li> <li>○ Chapter 14, “The Money Supply Process”</li> </ul> </li> <li>● Writing Assignments: 7.1</li> </ul>
8— Tools of Monetary Policy	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 15, “Tools of Monetary Policy”</li> </ul> </li> <li>● Writing Assignments: 8.1</li> </ul>
9— Conduct and Effects of Monetary Policy a	<ul style="list-style-type: none"> <li>● Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 16, “The Conduct of Monetary Policy: Strategy and Tactics”</li> <li>○ Chapter 23, “Transmission Mechanisms of Monetary Policy: The Evidence”</li> </ul> </li> <li>● Writing Assignments: 9.1</li> <li>● Quizzes: 9.1</li> <li>● Project Part 2</li> </ul>

Unit	Activities
10— Foreign Exchange Markets and the International Financial System	<ul style="list-style-type: none"> <li>• Read from <i>The Economics of Money, Banking and Financial Markets</i>: <ul style="list-style-type: none"> <li>○ Chapter 17, “The Foreign Exchange Market”</li> <li>○ Chapter 18, “The International Financial System”</li> </ul> </li> <li>• Writing Assignments: 10.1</li> </ul>
11— Course Review and Final Examination	<ul style="list-style-type: none"> <li>• Final Exam</li> <li>• Project Part 3</li> </ul>

## Instructional Methods

This curriculum is designed to promote a variety of teaching strategies that support the outcomes described in the course objectives and that foster higher cognitive skills. Delivery makes use of various media and delivery tools in the classroom.

## Instructional Materials and References

### Student Textbook Package

- Mishkin, F. S. (2010). *The Economics of Money, Banking and Financial Markets* (9th ed.). Upper Saddle River, NJ: Prentice Hall.
- Mishkin (2012). MyEconLab. Boston, MA: Pearson Education.

### References

#### ITT Tech Virtual Library

Log on to the ITT Tech Virtual Library at <http://library.itt-tech.edu/> to access online books, journals, and other reference resources selected to support ITT Tech curricula.

#### Books

You may click “Books” or use the Library Catalog on the home page to find the following books.

- Cameron, Rondo, and V.I. Bovykin. *International Banking 1870-1914*. New York: Oxford University Press, 1992.
- Dilley, Deborah. *Essentials of Banking*, Hoboken, NJ: Wiley, 2008.
- Gup, Benton. *Future of Banking*. Santa Barbara, CA: Greenwood Publishing Group, Inc. 2002.
- Gup, Benton E. *New Financial Architecture: Banking Regulation in 21<sup>st</sup> Century*. Santa Barbara, CA: Greenwood Publishing Group, Inc. 2000.
- Hinkelman, Edward G. *Glossary of International Trade: Transaction, Banking, Shipping, Legal and Other Terms Used in International Trade (5e)*. Petaluma, CA: World Trade Press, 2008.

### Periodicals

You may click “Periodicals” or use the E-Journal Lookup on the home page to find the following periodicals.

- American Banker
- Business Review
- Financial Management
- Financial Times
- Journal of Commercial Bank Lending
- Public Finance Quarterly
- Wall Street Journal

### School of Study

You may click on School of Study> School of Business> Recommended links to find the following Web resources.

- Finance > Bankrate.com
- Finance > Central Bank Web sites
- Finance > Fed 101
- Finance > The Changing World of Banking

### **Other References**

The following resources may be found outside of the ITT Tech Virtual Library.

#### Web sites

- Federal Reserve System  
<http://www.federalreserve.gov> (accessed 9/23/10)

The Federal Reserve System, often referred to as the Federal Reserve or simply “the Fed,” is the central bank of the United States. It was created by Congress to provide the nation with a safer, and more stable monetary and financial system.

- American Banking Association  
<http://www.aba.com> (accessed 9/23/10)

Founded in 1875, the American Bankers Association represents banks of all sizes and charters and is the voice for the nation’s \$13 trillion banking industry and its 2 million employees.

- National Investment Banking Association  
<http://www.nibanet.org> (accessed 9/23/10)

The National Investment Banking Association is a not-for-profit association for national, regional, and independent broker dealers, investment banking firms, investment advisors, and related capital market service providers.

- Consumer Bankers Association  
<http://www.cbanet.org> (accessed 9/23/10)

Founded in 1919, the Consumer Bankers Association provides leadership, education, research, and federal representation on retail banking issues such as privacy, fair lending, and consumer protection legislation/regulation. Members include most of the nation’s largest bank holding companies as well as regional and super community banks that collectively hold two-thirds of the industry’s total assets.

- Financial Management Association International  
<http://www.fma.org> (accessed 9/23/10)

The Financial Management Association International (FMA) is the global leader in developing and disseminating knowledge about financial decision making. FMA’s members include academicians and practitioners worldwide.

All links to Web references are always subject to change without prior notice.

## Course Evaluation and Grading

### Evaluation Criteria Table

The final grades will be based on the following categories:

CATEGORY	WEIGHT
Writing Assignments	25%
Midterm Exam	20%
Project Part 1	10%
Project Part 2	10%
Project Part 3	15%
Final Exam	20%
<b>Total</b>	<b>100%</b>

Note: Students are responsible for abiding by the Plagiarism Policy.

### Grade Conversion Table

The final grades will be calculated from the percentages earned in the course, as follows:

A	90–100%	4.0
B+	85–89%	3.5
B	80–84%	3.0
C+	75–79%	2.5
C	70–74%	2.0
D+	65–69%	1.5
D	60–64%	1.0
F	<60%	0.0

*(End of Syllabus)*