

UNIVERSITY COLLEGE OF THE FRASER VALLEY

COURSE INFORMATION

DISCIPLINE/DEPARTMENT: Economics **IMPLEMENTATION DATE:** On or after Fall Term 1998

Revised: _____

Economics 398 Business and Government II - 4

SUBJECT/NUMBER OF COURSE **DESCRIPTIVE TITLE** **UCFV CREDITS**

Topics in Macroeconomics

CALENDAR DESCRIPTION: Financial markets and institutions not only affect everyday life but also involve huge flows of funds throughout the economy, which in turn affect business profits, the production of goods and services, and even the economic well being of countries. What happens to financial markets, financial institutions, and money is of great concern to our politicians and even can have a major impact on our elections. This course examines how financial markets (such as bonds, stocks and foreign exchange) and financial institutions (banks, insurance companies, mutual funds, and so on) work by exploring the role of money in the economy. This course will also examine the wide variety of instruments for financing, investing and controlling risk that are available in today's financial markets.

RATIONALE: Part of Economics Upper Division Curriculum. (See Econ Program proposals to ACC September 1997.)

COURSE PREREQUISITES: 60 credits, and any lower-level Economics course

COURSE COREQUISITES: N/A

HOURS PER TERM FOR EACH STUDENT	Lecture/Seminar	45	hrs	Student Directed	
	Laboratory		hrs	Learning	15 hrs
	Seminar		hrs	Other - specify:	
	Field Experience		hrs		hrs
				TOTAL	60 HRS

MAXIMUM ENROLMENT: 28

Is transfer credit requested? **9** Yes : No

AUTHORIZATION SIGNATURES:

Course Designer(s): Economics Curriculum Committee: D. Box **Chairperson:** E. Davis
Curriculum Committee

Department Head: I. McAskill for J. Belec **Dean:** J.D. Tunstall

PAC: Approval in Principle _____ **PAC: Final Approval:** November 26, 1997
(Date) **(Date)**

Econ 398**NAME & NUMBER OF COURSE**

SYNONYMOUS COURSES:(a) replaces N/A
(course #)(b) cannot take N/A for further credit
(course #)**SUPPLIES/MATERIALS:****TEXTBOOKS, REFERENCES, MATERIALS (List reading resources elsewhere)**Fabozzi, F. and F. Modigliani. *Capital Markets: Institutions and Instruments*. (1996)Mishkin, F. *The Economics of Money, Banking, and Financial Markets*. (1997)Parks, R. *The Witch Doctor of Wall Street*. (1996)

Various economic, business and political science journals currently held in the UCFV library and within the ELN.

Web-based materials including (to name only a few):

Economic and Research Libraries of Toronto Dominion Bank (www.tdbank.ca)Quicken Financial Network (www.qfn.com)Money Online (jcgi.pathfinder.com/money)Business Week Online (www.businessweek.com)Bank of Canada (www.bank_banque_of_canada.com)**OBJECTIVES:**

- Provide students with the necessary skills to understand the volumes of financial market information presented in the media daily;
- Provide students with a framework within which they critically analyse and discuss current financial market developments (i.e., stock market 'bubbles', crashes, globalization of financial markets...);
- Develop students' analytical and intuitive knowledge of monetary economics;
- Provide students with a framework within which they analyse government and central bank policy.

METHODS:

Lecture/Seminar

STUDENT EVALUATION PROCEDURE:

Class participation/Presentation	0 - 15%
Research and Term Paper	15 - 40%
Midterm	15 - 30%
Final	35 - 55%

(Instructor Discretion)

Econ 398

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COURSE CONTENT

Organization and Structure of Markets

 The Primary Markets

 The Secondary Markets

Risk and Return Theories

Derivative Markets

Equity Markets

 Common Stock Market

 Stock Option Markets

Interest Rate Determination and Bond Valuation

 Theory and Structure of Interest Rates

 Term Structure of Interest Rates

Foreign Exchange Markets

Central Banks and the Conduct of Monetary Policy

 Structure of Central Banks

 Determinants of the Money Supply

 Tools of Monetary Policy

 Monetary Policy Goals and Targets

 Money and Inflation

 Money and the Twin Deficits