

COURSE IMPLEMENTATION DATE: April 1992  
 COURSE REVISED IMPLEMENTATION DATE: September 2010  
 COURSE TO BE REVIEWED: March 2014  
*(four years after UPAC approval)* *(month, year)*

**OFFICIAL UNDERGRADUATE COURSE OUTLINE INFORMATION**

Students are advised to keep course outlines in personal files for future use.  
 Shaded headings are subject to change at the discretion of the department – see course syllabus available from instructor

<u>ECON 410</u>	<u>Economics</u>	<u>3</u>
COURSE NAME/NUMBER	FACULTY/DEPARTMENT	UFV CREDITS
Macroeconomics and Financial Markets		
COURSE DESCRIPTIVE TITLE		

**CALENDAR DESCRIPTION:**

This course examines the economy as a whole, with a focus on financial markets. Topics include financial markets and institutions, the management of financial institutions, inflation and unemployment, interest rates in money and capital markets, savings and investment, business cycles, international finance, and economic growth.

**PREREQUISITES:** ECON 100, ECON 101, and at least three credits of upper-level economics; or 45 university-level credits including ECON 100 and ECON 101.  
**Note:** As of September 2011, prerequisites will change to the following: 45 university-level credits, including ECON 100 and ECON 101.

**COREQUISITES:**  
**PRE or COREQUISITES:**

**SYNONYMOUS COURSE(S):**

- (a) Replaces: \_\_\_\_\_
- (b) Cross-listed with: \_\_\_\_\_
- (c) Cannot take: \_\_\_\_\_ for further credit.

**SERVICE COURSE TO:** *(department/program)*

**TOTAL HOURS PER TERM:** 45

**STRUCTURE OF HOURS:**

Lectures:	<u>45</u>	Hrs
Seminar:	_____	Hrs
Laboratory:	_____	Hrs
Field experience:	_____	Hrs
Student directed learning:	_____	Hrs
Other (specify):	_____	Hrs

**TRAINING DAY-BASED INSTRUCTION:**

Length of course: \_\_\_\_\_  
 Hours per day: \_\_\_\_\_

**OTHER:**

Maximum enrolment: 28  
 Expected frequency of course offerings: Two semesters per year  
*(every semester, annually, every other year, etc.)*

**WILL TRANSFER CREDIT BE REQUESTED? (lower-level courses only)**  Yes  No  
**WILL TRANSFER CREDIT BE REQUESTED? (upper-level requested by department)**  Yes  No  
**TRANSFER CREDIT EXISTS IN BCCAT TRANSFER GUIDE:**  Yes  No

Course designer(s): <u>Vladimir Dvoracek</u>	Date approved: <u>March 2010</u>
Department Head: <u>Vladimir Dvoracek</u>	Date of meeting: <u>March 26, 2010</u>
Supporting area consultation (Pre-UPAC)	Date approved: <u>May 7, 2010</u>
Curriculum Committee chair: <u>John Carroll</u>	Date approved: <u>May 7, 2010</u>
Dean/Associate VP: <u>Jacqueline Nolte / Eric Davis</u>	Date of meeting: <u>May 21, 2010</u>
Undergraduate Program Advisory Committee (UPAC) approval	

**LEARNING OUTCOMES:**

Upon successful completion of this course, students will be able to:

- Detail the functions and workings of financial markets;
- Describe how money is created and seigniorage collected;
- Calculate interest rates using models of their term structure;
- Compute the effects of credit risk on asset prices;
- Describe the financial regulatory system;
- Perform calculations on bank capital and reserves;
- Illustrate the workings of government monetary policy;
- Analyze economic fluctuations, business cycles, and economic growth;
- Apply macroeconomic models to monetary and fiscal policy issues.

**METHODS:** *(Guest lecturers, presentations, online instruction, field trips, etc.)*

Lectures will develop theories and apply them to problems in economics and business. There will be extensive use of graphing and problem solving. Formal analytic analysis and the economic intuition that underlies it are used.

**METHODS OF OBTAINING PRIOR LEARNING ASSESSMENT RECOGNITION (PLAR):**

- Examination(s)                       Portfolio assessment                       Interview(s)
- Other (specify):                       PLAR cannot be awarded for this course for the following reason(s):

**TEXTBOOKS, REFERENCES, MATERIALS:** *[Textbook selection varies by instructor. Examples for this course might be:]*

Mishkin, Frederic, *The Economics of Money, Banking, and Financial Markets*, 8<sup>th</sup> edition, Pearson.  
Intermediate MACRO, Robert Barro, South-Western College Pub, 2009.

**STUDENT EVALUATION:** *[An example of student evaluation for this course might be:]*

Quizzes and midterms	20%
Final exam	30%
Presentations	20%
Assignments and paper	20%
Participation	10%

**COURSE CONTENT:** *[Course content varies by instructor. An example of course content might be:]*

An Overview of the Financial System  
What Is Money?  
Understanding Interest rates  
The Behavior of Interest Rates  
The Risk and Term Structure of Interest Rates  
The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis  
An Economic Analysis of Financial Structure  
Banking and the Management of Financial Institutions  
Banking Industry: Structure and Competition  
Economic Analysis of Banking Regulation  
Structure of Central Banks and the Federal Reserve System  
Multiple Deposit Creation and the Money Supply Process  
Determinants of the Money Supply  
Tools of Monetary Policy  
What Should Central Banks Do? Monetary Policy Goals, Strategy, and Tactics  
The Foreign Exchange Market  
The International Financial System  
The Demand for Money  
The ISLM Model  
Monetary and Fiscal Policy in the ISLM Model  
Aggregate Demand and Supply Analysis  
Market clearing macroeconomic models  
Fiscal and Monetary Policy: The Evidence  
Money and Inflation  
Rational Expectations: Implications for Policy