

COURSE IMPLEMENTATION DATE: April 1992  
 COURSE REVISED IMPLEMENTATION DATE: January 2014  
 COURSE TO BE REVIEWED: January 2020  
*(six years after UEC 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

<b>ECON 410</b>	Economics	3
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: 45 university-level credits, including ECON 100 and ECON 101.  
 Note: As of September 2014, prerequisites will change to the following: 45 university-level credits, including ECON 100, ECON 101, and one of MATH 111 or MATH 141.

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: 45 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 2013</u>
Department Head: <u>Vladimir Dvoracek</u>	Date of meeting: <u>March 8, 2013</u>
Campus-Wide Consultation (CWC)	Date approved: <u>April 12, 2013</u>
Curriculum Committee chair: <u>Tetsuomi Anzai</u>	Date approved: <u>April 12, 2013</u>
Dean/Associate VP: <u>Jacqueline Nolte / Eric Davis</u>	Date of meeting: <u>April 26, 2013</u>
Undergraduate Education Committee (UEC) 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 interest rates and 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. An example of texts for this course might be:]*

Mishkin, Frederic, The Economics of Money, Banking, and Financial Markets, 10<sup>th</sup> edition, Pearson.  
Intermediate MACRO, Robert Barro, South-Western College Pub, 2009.

**SUPPLIES / MATERIALS:**

**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:]*

Introduction: 1 week

An Overview of the Financial System

What Is Money?

Financial Markets: 3 weeks

Understanding Interest rates

The Behavior of Interest Rates

The Risk and Term Structure of Interest Rates

Fixed Income Analysis

The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis

*Course Content continued:*

The Management of Financial Institutions: 3 weeks  
An Economic Analysis of Financial Structure Economic Analysis of Banking Regulation  
Banking and the Management of Financial Institutions  
Risk Management with Financial Derivatives

Central Banking and Monetary Policy: 2 weeks  
Structure of Central Banks 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

International Finance: 2 weeks  
The Foreign Exchange Market  
The International Financial System

Monetary Theory: 2 weeks  
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