MONEY & BANKING
BKG 2250

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Date Revised: Spring 00

NOTE: This course is not designed for transfer credit.

Catalog Course Description:

A study of money and the world of banking that it creates and through which it flows. Topics include the tools of monetary and fiscal policy, the impact of monetary policy on the banking system, monetary theory, and international banking.

Entry Level Standards:

The student must be able to read and comprehend at the college level. The student must have a working knowledge of college-level algebra and business mathematics.

Prerequisites:

None

Textbook(s) and Other Course Materials:

Money and Banking, by Friedman, David H., American Bankers Association, latest edition.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Money</td>
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<tr>
<td>2</td>
<td>Money and Economic Activity</td>
</tr>
<tr>
<td>3</td>
<td>Financial Intermediaries</td>
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<tr>
<td>4</td>
<td>Commercial Banks and Money Creation</td>
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<tr>
<td>5</td>
<td>Bank Operations and the Payments Mechanism</td>
</tr>
<tr>
<td>6</td>
<td>The Bank as a Business Form</td>
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<tr>
<td>7-8</td>
<td>Bank Regulation</td>
</tr>
<tr>
<td>9</td>
<td>The Federal Reserve</td>
</tr>
<tr>
<td>10</td>
<td>The Tools of Monetary and Fiscal Policy</td>
</tr>
<tr>
<td>11</td>
<td>Commercial Banks and Monetary Policy</td>
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</tbody>
</table>
II. Course Objectives*:

A. Develop an understanding of the function of money and its importance in the world economic system. I,II

B. Understand the role of Financial Intermediaries. I,II,III

C. Understand how commercial banks are involved in money creation. I,II

D. Understand bank operations and the payments mechanism. I,II,III

E. Describe how banks are regulated. I,II,III

F. List and discuss the tools of monetary and fiscal policy. I,II

G. Gain a basic understanding of monetary theory. I,II,III

*Roman numerals after course objectives reference goals of the Business and Community Services department.

III. Instructional Processes*:

Students will:

1. Use critical thinking skills to interpret and evaluate the financial statements of existing companies and make informed judgements about these statements to facilitate in decision making and problem solving strategies. Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies

2. Discuss the impact of social, political, economic, and environmental issues on the financial statements of selected companies. Communication Outcome, Problem Solving and Decision Making Outcome, Cultural Diversity and Social Adaptation Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies, Transitional Strategy

3. Use electronic mail to correspond with the instructor and other students enrolled in the course. Communication Outcome, Technological Literacy Outcome

*Strategies and outcomes listed after instructional processes reference Pellissippi State’s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:

1. Explain the functions of money. A
2. Understand money supply. A
3. Understand monetary policy control. A
4. Describe the role that savings and lending play in the economy. A
5. Describe the role of banks in the economic process. B, C
6. Describe the purpose of the Federal Reserve and its relationship to monetary policies. A, E
7. Define recession and inflation. A
8. Differentiate between the different types of deposits held by financial intermediaries. B
9. Describe the role of financial intermediaries in the economic process. B
10. Describe the role of brokers and dealers in the economic system. A
11. Explain the difference between a commercial bank and a thrift institution. B
12. Identify the basic characteristics of the major types of bank loans. C
13. Understand the mathematical progression by which banks create deposits. C
14. Explain how banks gain and lose reserves. C
15. Explain how banks process and manage check data. D
16. Define bank float. D
17. Define electronic funds transfer. D
18. Identify the key responsibilities of the Comptroller of the Currency. E
19. Describe the role of the Federal Deposit Insurance Corporation. E
20. Describe how the discount rate is used as a monetary tool. F
21. Differentiate between monetary and fiscal policy. F
22. Explain how monetary policy is carried out in the economy. G
23. Identify the basic elements of Keynesian theory. G
24. Identify the basic principles of monetarism. G
25. Describe how the international banking systems impacts the United State banking system. G

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:

   Students are evaluated primarily on the basis of tests. A minimum of 3 major exams and 3 quizzes is recommended.
B. Laboratory Expectations:

N/A

C. Field Work:

A term paper will be required. Details will be provided by the instructor the first week of class via a syllabus supplement.

D. Other Evaluation Methods:

This information, if applicable, will be provided by the instructor in full detail during the first week of class via syllabus supplement.

E. Grading Scale:

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>92 - 100</td>
<td>A</td>
</tr>
<tr>
<td>89 - 91</td>
<td>B+</td>
</tr>
<tr>
<td>82 - 88</td>
<td>B</td>
</tr>
<tr>
<td>79 - 81</td>
<td>C+</td>
</tr>
<tr>
<td>72 - 78</td>
<td>C</td>
</tr>
<tr>
<td>65 - 71</td>
<td>D</td>
</tr>
<tr>
<td>Below 65</td>
<td>F</td>
</tr>
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VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.