

Montgomery County Community College  
ECO 221  
Money and Banking  
3-3-0

**COURSE DESCRIPTION:**

Students will analyze the American financial system. Topics discussed are financial markets, monetary theory and policy, organization and control of the banking system, bank functions and operations, and the operation of the Federal Reserve System.

**REQUISITES:***Previous Course Requirements*

- ECO 121 Macroeconomics
- ECO 122 Microeconomics

*Concurrent Course Requirements*

None

| LEARNING OUTCOMES<br>Upon successful completion of this course, the student will be able to:                       | LEARNING ACTIVITIES  | EVALUATION METHODS  |
|--|--|---|
| 1. Use the vocabulary of finance to describe the American and international financial markets and their operation. | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Small and Large Group Activities<br>Assignment of Questions and Problems<br>Student Projects<br>Quizzes and Exams |
| 2. Apply factual information on the American financial system to analyze current financial issues.                 | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Small and Large Group Activities<br>Assignment of Questions and Problems<br>Student Projects<br>Quizzes and Exams |

| LEARNING OUTCOMES   | LEARNING ACTIVITIES  | EVALUATION METHODS  |
|---|--|---|
| 3. Explain the development, operation, and control of financial markets in the American economy.  | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Small and Large Group Activities<br>Assignment of Questions and Problems<br>Student Projects<br>Quizzes and Exams |
| 4. Explain and apply the principles utilized by financial institutions in formulating business policy.  | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Small and Large Group Activities<br>Assignment of Questions and Problems<br>Student Projects<br>Quizzes and Exams |
| 5. Explain current monetary theory and apply this theory to analyze the current economic situation.   | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Small and Large Group Activities<br>Assignment of Questions and Problems<br>Student Projects<br>Quizzes and Exams |
| 6. Explain the structure and functions of the Federal Reserve System and interpret current Federal Reserve policy and its impact on the performance of the economy. | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Course Assessment Tool  |
| 7. Define the relationship between monetary policy and international finance and analyze current international economic events.                                     | Lecture<br>Small and Large Group Activities<br>Discussions<br>Assignment of Questions and Problems<br>Multi-Media Presentations<br>Student Projects<br>Quizzes and Exams | Small and Large Group Activities<br>Assignment of Questions and Problems<br>Student Projects<br>Quizzes and Exams |

At the conclusion of each semester/session, assessment of the learning outcomes will be completed by course faculty using the listed evaluation method(s). Aggregated results will be submitted to the Associate Vice President of Academic Affairs. The benchmark for each learning outcome is that *70% of students will meet or exceed outcome criteria*.

#### SEQUENCE OF TOPICS:

1. Why Study Money, Banking, and Financial Markets?
2. An Overview of the Financial System
3. What Is Money?
4. Understanding Interest Rates
5. The Behavior of Interest Rates
6. The Risk and Term Structure of Interest Rates
7. The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis
8. An Economic Analysis of Financial Structure
9. Financial Crises
10. Banking and the Management of Financial Institutions
11. Economic Analysis of Financial Regulation
12. Banking Industry: Structure and Competition
13. Central Banks and the Federal Reserve System
14. The Money Supply Process
15. The Tools of Monetary Policy
16. The Conduct of Monetary Policy: Strategy and Tactics
17. The Foreign Exchange Market
18. The International Financial System

#### LEARNING MATERIALS:

Frederick C. Mishkin, (2012). Economics of Money Banking, and Financial Markets (10<sup>th</sup> ed.). Pearson.

Other learning materials may be required and made available directly to the student and/or via the College's Libraries and/or course management system.

## COURSE APPROVAL:

Prepared by: William Zimmer

Date: 3/2005

Revised by: Lee Bender

Date: 3/2009

VPAA/Provost Compliance Verification: Dr. John C. Flynn, Jr.

Date: 5/22/2009

Revised by: Lee Bender

Date: 3/2013

VPAA/Provost or designee Compliance Verification:

Victoria L. Bastecki-Perez, Ed.D.

Date: 4/23/2013

Revised by: Jill Beccaris-Pescatore

Date: 11/13/2017

VPAA/Provost or designee Compliance Verification:

Date: 11/14/2017



*This course is consistent with Montgomery County Community College's mission. It was developed, approved and will be delivered in full compliance with the policies and procedures established by the College.*