



## Course Number and Title: FIN 221 Money and Banking

**Campus Location:**

Georgetown, Dover, Wilmington

**Effective Date:**

2020-21

**Prerequisite:**

ECO 111, ENG 102

**Co-Requisites:**

None

**Course Credits and Hours:**

3.00 credits

3.00 lecture hours/week

0.00 lab hours/week

**Course Description:**

This course is a study of the commercial and central banking systems with emphasis on the Federal Reserve Bank, the effects of changes in the money supply, interest rates on the economy, and the roles of financial intermediaries and financial market in the United States and global economies.

**Required Text(s):**

Obtain current textbook information by viewing the [campus bookstore - https://www.dtcc.edu/bookstores](https://www.dtcc.edu/bookstores) online or visit a campus bookstore. Check your course schedule for the course number and section.

**Additional Materials:**

None

**Schedule Type:**

Classroom Course

**Disclaimer:**

None

**Core Course Performance Objectives (CCPOs):**

1. Describe and discuss the characteristics and discuss the roles of financial intermediaries and financial markets in the United States. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
2. Describe the effects of changes in the money supply and interest rates on the economy. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
3. Describe the characteristics of the commercial banking system. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
4. Describe the organization of the Federal Reserve System, and discuss the controversy regarding its independence. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
5. Describe the Federal Reserve's major policy tools and the impact of the Federal Reserve on the economy. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
6. Describe the various ways of classifying financial markets, including primary and secondary markets, money and capital markets, and spot and futures markets. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
7. Describe the characteristics of the major financial market instruments. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
8. Describe the international financial system. (CCC 1, 2, 4, 5; PCG – ACT 4, 5; GBT 2, 5)
9. Analyze investment alternatives, including the evaluation of risk and return, and communicate the results to a potential investor. (CCC 1, 2, 3, 4, 5, 6; PCG – ACT 1, 4, 5; GBT 2, 5)

See Core Curriculum Competencies and Program Graduate Competencies at the end of the syllabus. CCPOs are linked to every competency they develop.

### Measurable Performance Objectives (MPOs):

Upon completion of this course, the student will:

1. Describe and discuss the characteristics and discuss the roles of financial intermediaries and financial markets in the United States.
  1. Identify several financial intermediaries and describe their role in the economy.
  2. List characteristics common to all types of financial intermediaries.
  3. Discuss characteristics that distinguish one type of intermediary from another type.
  4. Identify and list key types of financial markets.
2. Describe the effects of changes in the money supply and interest rates on the economy.
  1. Explain what money is in terms of M1, M2, and M3.
  2. Explain the effect of too much money or too little money on the economy.
  3. Discuss how the interest rate for money is determined.
  4. Discuss the nature of inflation.
3. Describe the characteristics of the commercial banking system.
  1. Describe the effect of banking regulation on the commercial banking system.
  2. Explain the chartering system for commercial banks.
  3. Explain what is meant by a dual banking system.
  4. Identify key components of the commercial banking system.
  5. Discuss why virtually all large banks are now organized as holding companies.
4. Describe the organization of the Federal Reserve System, and discuss the controversy regarding its independence.
  1. Explain how the Federal Reserve is organized.
  2. Identify the most important functions of the Federal Reserve.
  3. Describe the Federal Reserve's major policy tools.
  4. Discuss the controversy regarding the Federal Reserve's independence.
5. Describe the Federal Reserve's major policy tools and the impact of the Federal Reserve on the economy.
  1. Explain how each of the major policy tools function.
    1. Open Market Operations
    2. Discount Rate
    3. Reserve Requirements
  2. Discuss the impact on the economy as a result of the application of the monetary policy tools listed in 5.1.
6. Describe the various ways of classifying financial markets, including primary and secondary markets, money and capital markets, and spot and futures markets.
  1. Distinguish between primary and secondary markets and between money and capital markets.
  2. Define *commercial paper*, *negotiable certificates of deposit*, *repurchase agreements*, *banker's acceptances*, *federal funds*, and *Eurodollars*.
  3. Explain the differences between stocks and bonds.
  4. Describe how stocks and bonds are traded and the key factors to determine their price.
  5. Explain the difference between spot market and financial futures markets.
7. Describe the characteristics of the major financial market instruments.
  1. List the major financial market instruments.
  2. Describe the key characteristics of each.
  3. Explain how each is traded.
8. Describe the international financial system.
  1. Describe the nature of exchange rates.
  2. Discuss the effects of the value of the dollar in other countries' money under the following conditions:
    1. Income increases in United States or in foreign country.
    2. Interest rates fall in United States or in foreign country.
    3. Inflation increases in either country.
9. Analyze investment alternatives, including the evaluation of risk and return, and communicate the results to a potential investor.
  1. Apply investment criteria to investment alternatives for a potential investor.
  2. Calculate the expected return on the investment proposal.
  3. Assess the related risks associated with the selected investment alternatives.

### Evaluation Criteria/Policies:

Students must demonstrate proficiency on all CCPOs at a minimal 75 percent level to successfully complete the course. The grade will be determined using the Delaware Tech grading system:

92	-	100	=	A
83	-	91	=	B
75	-	82	=	C
0	-	74	=	F

Students should refer to the [Student Handbook - https://www.dtcc.edu/handbook](https://www.dtcc.edu/handbook) for information on the Academic Standing Policy, the Academic Integrity Policy, Student Rights and Responsibilities, and other policies relevant to their academic progress.

**Final Course Grade:**

Calculated using the following weighted average

Evaluation Measure	Percentage of final grade
Exams (Summative) (Equally Weighted)	60%
Research Project	20%
Formative Assessments (Activities/Discussion Boards/Reflections/Quizzes/Investment Simulation, etc.)	20%
TOTAL	100%

**Core Curriculum Competencies (CCCs are the competencies every graduate will develop):**

1. Apply clear and effective communication skills.
2. Use critical thinking to solve problems.
3. Collaborate to achieve a common goal.
4. Demonstrate professional and ethical conduct.
5. Use information literacy for effective vocational and/or academic research.
6. Apply quantitative reasoning and/or scientific inquiry to solve practical problems.

**Program Graduate Competencies (PGCs are the competencies every graduate will develop specific to his or her major):****Accounting (ACT):**

1. Prepare and analyze financial statements in accordance with Generally Accepted Accounting Principles.
2. Analyze data to process information for decision-making under a product and job costing system.
3. Apply tax laws to the preparation of tax returns and to tax plans.
4. Integrate professional, ethical and legal standards into business practice.
5. Employ the various theories of management and marketing in a business.

**General Business (GBT):**

1. Integrate professional, ethical, and legal standards into business practice.
2. Employ the various theories of management and marketing in a business.
3. Apply the principles of human resource management to organizations.
4. Evaluate the actions taken to acquire and retain customers.
5. Measure and track financial performance of an organization.
6. Analyze and apply the strategic management process to organizations.

**Disabilities Support Statement:**

The College is committed to providing reasonable accommodations for students with disabilities. Students are encouraged to schedule an appointment with the campus Disabilities Support Counselor to request an accommodation needed due to a disability. A listing of campus Disabilities Support Counselors and contact information can be found at the [disabilities services - https://www.dtcc.edu/disabilitysupport](https://www.dtcc.edu/disabilitysupport) web page or visit the campus Advising Center.