CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS

NEW COURSE PROPOSAL

PROGRAM: BUSINESS

1. Catalog Description of the Course. [Include the course prefix, number, full title, and units. Provide a course narrative including prerequisites and corequisites. If any of the following apply, include in the description: Repeatability (May be repeated to a maximum of ___ units); time distribution (Lecture ___ hours, laboratory ___ hours); non-traditional grading system (Graded CR/NC, ABC/NC). Follow accepted catalog format.]

ECON 320. MONEY & BANKING (3)
Three hours lecture per week.
Prerequisite: ECON 110, 111 and either MATH 140 or 150.
Nature and functions of money and its relation to prices; the monetary system of the United States; the functions of banks, bank credit, foreign exchange and monetary control. The impact of monetary policy on economic activity.

2. Mode of Instruction.

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<tr>
<th>Units</th>
<th>Hours per Unit</th>
<th>Benchmark Enrollment</th>
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<tr>
<td>Lecture</td>
<td>3</td>
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<td>Seminar</td>
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<td>Laboratory</td>
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<td>Activity</td>
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3. Justification and Learning Objectives for the Course. (Indicate whether required or elective, and whether it meets University Writing, and/or Language requirements) [Use as much space as necessary]

Money & Banking is one of two courses which Business students may take to fulfill an intermediate-level macroeconomics requirement. This course explores the structure of the financial sector and its effects on the rest of the economy. Emphasis is placed on the role of the private and central banking system in the creation and manipulation of the money supply. As a resource of value, the relative scarcity of money impacts interest rates, the intensity and type of investment activity, exchange rates, and the overall level of economic activity. This course follows an applied approach and focuses on the use of theory in context.

Students who successfully complete this course will be able to:
- Describe the structure of the private banking industry in the United States and its relation to the Federal Reserve System.
- Explain the process through which the banking system may be said to produce the nation's money supply.
- Describe the principal tools of monetary policy and explain how they might be used to combat inflation or unemployment.
- Determine the effects of changes in money demand or money supply on interest rates.
- Predict the economic effects of exchange rate fluctuations.
- Assess the effects of domestic changes in the relative scarcity of money on export and international markets.
- Identify the sources of financial risk and the relationships between risk and expected returns.

4. Is this a General Education Course? NO
5. **Course Content in Outline Form.** [Be as brief as possible, but use as much space as necessary]

- **Overview**
  - An Overview of the Financial System
  - The Definition and Roles of Money

- **Financial Markets**
  - The Determinants of Interest Rates
  - Risk and Term Structure of Interest Rates
  - The Market for Foreign Exchange

- **Financial Institutions**
  - Structure and Competition in the Banking Industry
  - Management of Financial Institutions
  - Bank Regulation

- **Central Banking and Monetary Policy**
  - Structure of Central Banks and the Federal Reserve
  - Money Creation Process
  - Determinants of the Money Supply
  - Tools and Goals of Monetary Policy
  - The International Financial System

- **Monetary Theory**
  - Money Demand
  - Keynesian Monetary and Fiscal Policy
  - Money and Inflation
  - Rational Expectations and Efficient Markets

6. **References.** [Provide 3 - 5 references on which this course is based and/or support it.]


7. **List Faculty Qualified to Teach This Course.**

- Dr. Dennis Muraoka
- Dr. Paul Rivera
- Dr. Ashish Vaidya

8. **Frequency.**
   a. Projected semesters to be offered: Fall ___ Spring ___ Summer ___

9. **New Resources Required.**
   None.

10. **Consultation.**
    Attach consultation sheet from all program areas, Library, and others (if necessary)

11. If this new course will alter any degree, credential, certificate, or minor in your program, attach a program modification.

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Proposer of Course ____________________________ Date __________

NEWCRSFR 9/30/02