

ECON 321 : Money and Financial Institutions

A study of monetary economics: fluctuations of money, determinants on money supply and demand, the study of financial institutions, determinants of interest rates, principles and practice of banking and financial intermediaries, the formation of monetary policy, the Federal Reserve System, and international monetary forces.

Credits 3

CIP Code

45.0601

Prerequisites

(LIBR 150 may be taken concurrently).

Prerequisite Courses

ECON 212

ECON 312

LIBR 150

Course Outcomes

After successfully completing the course, the learner will be able to:

- Understand the flow of funds within each type of financial market Describe the role of interest rates in financial market.
- Describe the evolution of money in the U.S. economy and discuss the functions money play in an economy.
- Explain what is meant by cyberbanking and the impact of e-money on the banking industry and monetary policy.
- Identify the key financial instruments of the money and capital markets.
- Describe the main types of financial institutions and explain why financial intermediaries exist.
- Explain how interest rates are determined in an economy.
- Define the term structure of interest rates.
- Discuss the relationship among various interest rates in an economy.
- Explain the efficient markets hypothesis and discuss how it impacts financial markets.
- Identify the various types of non-depository financial institutions in an economy.
- Describe the major assets and liabilities of depository financial institutions.
- Explain the workings of banks including the sources and uses of their funds and the determination of loan and deposit interest rates.
- Discuss the basic principles of bank management and performance evaluation.