

**THE AMERICAN
BUSINESS SCHOOL
PARIS**

COURSE TITLE : **MONEY & BANKING**

COURSE NUMBER : ECO 324

CREDITS : 3

PREREQUISITE : ECO 110, ECO 120
ACC 110,120 FIN 210, 220

SEMESTER HOURS : 45

OFFERED : FALL

COURSE DESCRIPTION :

In this course, the student will acquire an understanding of the basis for monetary systems and the role played by banks in the creation and circulation of money. As this is a topic which is under constant evolution, current events in the financial world will be used to illustrate the various issues facing the banking industry in both a domestic and international context. Topics will include disintermediation, the origins and functions of the Federal Reserve System, central bank and EC controls, money-laundering regulations and the role of the global banking industry in LDC's.

INSTRUCTIONAL METHODOLOGY :

The course consists of class lectures, individual/group presentations on various assignments. Will be covered in class :

- Introduction : History of money and the origin of banks
Basic Financial Institutions, Role of Central Banks
- Federal Reserve System
- Development of Monetary Theory; Financial NGO's
- Payment Systems : Domestic & International
- Interest Rates ; FX Markets
- Deposits/Reserves; Lending Activities
- Reading a bank's financial statements;
Bank failures - causes and effects
- Financial Markets : stocks, bonds, futures, options
- Use and misuse of derivative instruments

TEXT : *The Economics of Money, Banking and Financial Markets*, Mishkin, Pearson,
7th Edition, 2004

EVALUATION :

The final grade will be made up of a class participation (10%), individual/group cases & project (20%), a mid-term test (25%) and the final examination (45%)