

# Bemidji State University

## ECON 3200: Economics of the Financial Sector

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: \*.\*

Lab Hours/Week: \*.\*

OJT Hours/Week: \*.\*

Prerequisites: None

Corequisites: None

MnTC Goals: None

Looks at the operation of intermediaries and securities markets to allocate financial capital and price financial assets. The role of the central bank and related agencies in guiding the financial sector and influencing the macroeconomy are considered. Prerequisites: ECON 2000 and ECON 2100 or consent of instructor.

**B. COURSE EFFECTIVE DATES:** 08/21/1997 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. Intro
  - A. Nature of the course.
  - B. Overview of the Financial System
2. Financial Products and Their Prices
  - A. Money and its uses
  - B. Present Value and Asset Prices
  - C. Interest Rates
    1. Rate Structure
    2. Real vs. Nominal
  - D. The Stock Market
3. The Role of Banks and their Regulation
4. E. Modeling Money

### D. LEARNING OUTCOMES (General)

1. explain the process through which the banking industry may be said to produce the nation's money supply.
2. be able to compare the characteristics of a range of financial assets.
3. understand why interest rates differ according to both the riskiness and the maturity of the assets involved.
4. describe the principle tools of monetary policy and explain how they might be used to manage cyclical instability.
5. describe the conflict faced by bankers in the pursuit of profits, liquidity, and solvency.
6. develop an informed opinion concerning the causes of financial instability including the contributions of elected officials and central banking as well as those of banks and financial market participants.
7. explain the economic and political issues faced by the Fed in the conduct of monetary policy.
8. predict some of the economic effects of exchange rate changes and describe some of the factors which may lead to changes in the value of currency.

**E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

**F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

**G. SPECIAL INFORMATION**

None noted