



### Course Outline Approval Form

(A separate form must be completed for each course)

Course Outline Approval Forms for the Second Trimester are due at the Faculty's Student & Academic Services Office by Monday 13 July 2009, and should be sent in PDF format to the Administrator, Anthea O'Sullivan: [anthea.osullivan@vuw.ac.nz](mailto:anthea.osullivan@vuw.ac.nz)

Course Code (not CRN):	MOFI202	Trimester / Year:	2/3 2009
Course Title:	Money and Banking		
Course Coordinator:	Jerry Mushin	Extn:	5884
Scrutineer:	Stephen Burnell	<i>This person must be a member of Academic Staff</i>	

We confirm that the outline for the above course meets Faculty requirements (as set out in the Course Outline Template), or indicates links to where relevant information is to be found, in respect of the following:

(please tick)

#### COURSE ORGANISATION

1. Name of School, course code and title, trimester and year   
*The correct full title of the course, including all parts such as "Special Topic:" must be given. Please ensure that the trimester given in your outline matches that listed in the Banner system.*
2. Staff names & contact details
3. Trimester dates (covering the full assessment period and withdrawal dates)
4. Class times and locations

#### LEARNING OBJECTIVES & CONTENT

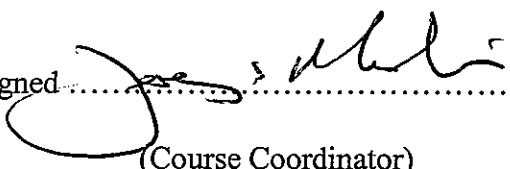
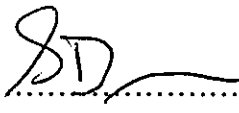
5. Course content
6. Course Learning objectives
7. Course delivery
8. Expected workload
9. Group work (if applicable)
10. Readings, key texts or equivalent materials
11. Any other materials and/or equipment students should obtain

**ASSESSMENT & MANDATORY COURSE REQUIREMENTS**

- 12. A clear statement of all assessment requirements, including:
  - (a) Weighting of each assessment task and corresponding learning objectives
  - (b) Critical dates of each piece of work
  - (c) Word limits for larger written pieces of work
  - (d) Duration of examination including dates of examination period  or N/A
  - (e) Word limits for larger written pieces of work
- 13. Note re: use of assessed work for quality assurance purposes
- 14. Statement on penalties
- 15. Practicum arrangements (if applicable)
- 16. Details of mandatory course requirements
- 17. Statement on the use of Turnitin (if applicable)  or N/A

**LINKS FOR COMMON MATERIAL**

- 18. Academic Integrity
- 19. Details of where to find additional information
- 20. Statement on General University Policies and Statutes
- 21. Manaaki Pihipihinga Programme

Signed .....  (Course Coordinator)  Date ..... 3.7.09 .....	Signed .....  (Scrutineer)  Date ..... 3/7/09 .....  <i>Note: this person MUST be a member of Academic Staff</i>
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School of Economics and Finance

## **MOFI202 MONEY AND BANKING**

Trimester Two 2009

### **COURSE OUTLINE**

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#### **Names and Contact Details**

Course Coordinator	Jerry Mushin	RH426	Extn 5884
Lecturer	Stephen Burnell	RH425	Extn 5764
Administrator	Suzanne Freear	RH327	Extn 5380

#### **Trimester Dates**

Teaching: Monday 13 July to Friday 16 October 2009

Examinations: Tuesday 27 October to Saturday 14 November 2009

#### **Class Times and Room Numbers**

##### Lectures

Tuesday, Wednesday, Thursday      1.40pm      RH LT1

##### Tutorials

Students are expected to attend one tutorial every week, beginning in the second week of the course. The procedure for allocation to tutorial groups is explained on Blackboard. Details of the allocation of tutorial groups will be placed on Blackboard. Tutorial assignments will be available on Blackboard. Assignments must be placed in the appropriate tutor's box on the Mezzanine of Rutherford House by 2.00pm on Mondays. There are nine tutorial assignments. Assignments will not be submitted on 7 and 14 September.

Assignments must satisfy these requirements:

- typed (not hand-written)
- minimum margin of 4 centimetres on each side of the text (for comments)
- 1.5 spacing
- approximately 700 words
- carefully proofread and edited

Some assignments will be photocopied for quality control purposes

**Withdrawal dates** Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

#### **Course Content**

##### Stephen Burnell's lectures

- 1-2 Introduction to money
- 3 History of currency

4-5	Assets and interest rates
6	Examples of assets
7-8	Asset portfolio choice
9	New Zealand inflation and interest rates.
10-11	Transactions demand for money
12-13	Banks
14	Loan contracts and private information
15	Banking supervision
16-17	Equilibrium interest rates
18-19	Inflation and its consequences
20	The foreign sector
21	TEST
22	The foreign sector (continued)
23-24	Monetary policy in New Zealand

Jerry Mushin's lectures

25-29	Money in the macro-economy: effects on inflation and real output
30-32	Term structure of interest rates
33-36	New Zealand monetary policy: instruments and real effects

**Course Learning Objectives**

By the end of this course, students should be able to:

- describe the nature and history of money, both generically and specifically in New Zealand;
- describe the nature of real and financial assets, and explain asset portfolio choice;
- analyse the determinants of the demand for money;
- understand the nature, role, functioning and supervision of financial institutions;
- analyse the determinants and effects of inflation;
- understand determinants of interest rates, including the term structure;
- analyse monetary policy, including exchange rate policy, in New Zealand;
- describe the real effects of monetary variables;
- articulate explanations of recent controversies related to monetary issues.

**Expected Workload**

In addition to attending three lectures and one tutorial per week, MOFI202 students are expected to write assignments, to read the recommended material, to prepare for tutorial discussions, and to prepare for the test and the examination. The minimum number of hours of study per week, during the fourteen-week course, in addition to attendance at lectures and tutorials, that is necessary will depend on the abilities and study skills of each student, but is unlikely to be less than ten.

**Readings**

Lecture notes for Lectures 1 to 24 are available on Blackboard. For Lectures 25 to 36, a book of reprinted readings is available from the Student Notes Service.

Supplementary reading

\*A D Bain: *The Economics of the Financial System*, Basil Blackwell Ltd, 1992

Roger Bowden and Jennifer Zhu: *Kiwicap: An Introduction to New Zealand Capital Markets* [2nd ed], Kiwicap Research Ltd, Wellington, 2005

\*E Carew: *New Zealand's Money Revolution*, Allen and Unwin Ltd., 1987

R Deane (ed): *Financial Policy Reform*, Reserve Bank of New Zealand, 1986

- K Dowd and M K Lewis (ed): *Current Issues in Financial and Monetary Economics*, Macmillan Education Ltd, 1992
- D Gowland: *Money, Inflation and Unemployment* [2nd ed], Harvester Wheatsheaf, 1991
- \*A Grimes (ed): *Monetary Policy and the New Zealand Financial System* [3rd ed], Reserve Bank of New Zealand, 1992 [The earlier editions of this title are of historical interest only.]
- A Grimes, F Holmes, and R Bowden: *An ANZAC Dollar? Currency Union and Business Development*, Institute of Policy Studies, Victoria University of Wellington, 2000.
- R G Hubbard: *Money, the Financial Sector and the Economy*, Addison-Wesley Publishing Company Inc, 1994
- G Karacaoglu (ed): *An Introduction to Financial Markets in New Zealand*, Victoria University Press, 1988
- M Lewis and K Davis, *Domestic and International Banking*, Philip Allan Publishers Ltd, 1987
- W T Newlyn and R P Bootle: *Theory of Money* [3rd ed], Oxford University Press, 1978
- \*P Peare, *An Introduction to the New Zealand Financial System*, Addison Wesley Longman NZ Ltd, 1999
- L E O Svensson: *Independent Review of the Operation of Monetary Policy in New Zealand*, The Treasury, Wellington, 2001.
- Reserve Bank of New Zealand Bulletin* (quarterly)
- Monetary Policy Statement*, Reserve Bank of New Zealand (at least biannual)
- [www.rbnz.govt.nz](http://www.rbnz.govt.nz)                      [www.treasury.govt.nz](http://www.treasury.govt.nz)

Essential introductory reading is marked with an asterisk.

### **Materials and Equipment**

Non-programmable calculators are permitted in the test and in the examination.

### **Assessment Requirements**

- three-hour examination (60%)
- 50-minute multiple-choice test on Thursday 10 September (20%)
- the best six tutorial assignments (20%)

The examination mark will have a weight of 100% if this leads to a higher grade. The requirements for a pass are a minimum examination mark of 40% and a minimum weighted mark of 50%.

### **Examinations**

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

### **Penalties**

Assignments that are submitted late will be awarded a zero mark unless the course co-ordinator is satisfied that an extension is warranted. A zero mark will be awarded for plagiarised assignments.

### **Mandatory Course Requirements**

Apart from the requirement to achieve a weighted mark of 50%, or an examination mark of 50%, there are no mandatory requirements for this course.

**Communication of Additional Information**

Additional information will be placed on Blackboard.

**Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

**General University Policies and Statutes**

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

**Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

**Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)