

**RARITAN VALLEY COMMUNITY COLLEGE**  
**ECON 210 MONEY AND BANKING**  
**Course Outline**

**I. Basic Course Information**

- A. Course Number and Title: ECON-210 Money and Banking
- B. New or Modified Course: Modified
- C. Date of Proposal: Fall 2022
- D. Effective Date: Fall 2023
- E. Sponsoring Department: Department of Business and Public Service
- F. Semester Credit Hours: 3
- G. Weekly Contact Hours: 3 Lecture 3  
Laboratory 0  
Out of class student work per week: 6
- H. ☐ Prerequisite (s): ECON 101 Macroeconomics  
☐ Corequisite (s): None  
☐ Prerequisite (s) and Corequisite (s):
- I. Additional Fees: None
- J. Name and Phone Number and email of Department Chair and Divisional Dean: Department Chair Tracy Rimple, Tracy.Rimple@raritanval.edu, (908) 526-1200 x8878; Divisional Dean Patrice Marks, [Patrice.Marks@raritanval.edu](mailto:Patrice.Marks@raritanval.edu), (908) 526-1200 x8802

**II. Course Description**

Prerequisite: ECON 101 Macroeconomics. This course explores the practical aspects of money and banking within the economy. Emphasis is given to the changing role of financial institutions as well as new financial instruments. Topics will include money creation, the Federal Reserve, economic stabilization using monetary and fiscal policy as well as the creation of different international monetary systems and their impact on the global economy.

### **III. Statement of Course Need**

A. Understanding money and banking is a necessary component to sound financial investment. In this course, students will go beyond the traditional description of the financial markets, introduced in economics courses, to study financial markets and instruments and their impacts on the United States economy. In addition, the Federal Reserve Bank and its ability to manipulate the economy will be investigated.

B. The course does not require a lab.

C. This course generally transfers as a business/economics program elective

### **IV. Place of Course in College Curriculum**

A. Free Elective

B. This course meets a Business Elective

C. The course meets a program requirement for the Financial Services Option in Business Management AAS Degree, and Financial Services Certificate of Completion Programs.

D. Course transferability; for New Jersey schools go to the NJ Transfer website, [www.njtransfer.org](http://www.njtransfer.org). For all other colleges and universities go to their individual websites.

### **V. Course Outline**

#### **A. Money**

1. Functions of money
2. Evolution of money
3. Measures of money supply

#### **B. Financial Markets and Instruments**

1. Attributes of financial instruments
2. Classification of financial markets
3. Types of financial instruments

#### **C. Interest Rates**

1. Present/Future Value, Yield, Rate of Return
2. Real vs. Nominal interest rates
3. Factors influencing interest rates

#### **D. Banking Structure**

1. Commercial Banks
2. Asymmetric Information
3. Banking system and regulations
4. Banking failures
5. Federal Deposit Insurance

E. Federal Reserve

1. History of Federal Reserve
2. Structure of Federal Reserve
3. Creation of Money
4. Monetary Base

F. Monetary Policy

1. Open Market Operations
2. Discount Rate
3. Required Reserve Ratio
4. Velocity and monetary demand

G. Foreign Exchange Markets

1. Nominal/Real Exchange Rates
2. Demand/Supply of Foreign Exchange
3. Exchange Rate Risk

**VI. A. Course Learning Outcomes**

At the completion of the course, students will be able to:

1. Analyze how the banking system works and its impact on society. (G.E. NJ 5)
2. Communicate with others verbally and in written form the issues facing the monetary system of the United States. (G.E. NJ 1)
3. Use current technology to track changes occurring in the banking system.(G.E. NJ 4)
4. Evaluate ethical issues facing the monetary system and its regulators. (ER)

**B. Assessment Instruments**

1. Examinations (Required)
2. Written assignments
3. Oral presentations

**VII. Grade Determinants**

- A. Examinations
- B. Written assignments
- C. Oral presentations

Given the goals and outcomes described above the following teaching and learning methods may be used:

- A. Lecture/ Discussion
- B. Small group work
- C. Oral presentations

### **VIII. Text and Materials**

Author: Hubbard, O'Brien  
Text: Money, Banking and The Financial System  
Publisher: Pearson  
Edition: Latest

Please note: The course outline is intended only as a guide to course content and resources. Do not purchase textbooks based on this outline. The RVCC Bookstore is the sole resource for the most up-to-date information about textbooks.

### **IX Resources**

No special resources will be needed for this course.