

**UNIVERSITY OF MARYLAND
LONDON PROGRAMME
SPRING 2008**

ECON398L: The UK Economy and Financial System

Lecturer: Michael Ashcroft

Time: Tuesday 10.00am – 1.00pm

Place: Clore Management, Room 104

SCOPE OF THE COURSE:

First, it provides a conceptual framework for assessing the policy, structure and performance of the UK economy since 1945. Second, the course provides an introduction to the role and operations of the financial institutions and markets of the City of London. Third, the international dimension of the UK economy is examined with particular reference to Britain's membership of the Bretton Woods System, European Union and to the 'special relationship' between Britain and the USA. A common thread in this discourse will be the selective use of relevant economic theory to illumine events and policies of the period.

LEARNING OUTCOMES:

Students should:

- 1) Be able to make economic comparisons over time and space using the relevant conceptual tools to organise perceptions and data.
- 2) Have an awareness of the importance of economic theory in analysing problems, of its limitations as a guide to policy and of the need to relate it to some political and historical context.
- 3) Have an appreciation of the distinctive nature of some important British financial institutions and of the difficulties of replicating elsewhere, institutions which have been shaped by the peculiarities of British economic, political and cultural evolution.
- 4) Have some experience of the difficulties of presenting ideas verbally and in writing, and of the need for constant and rigorous editing when writing or speaking.

COURSE TEXTS: Refer if possible to the latest edition

How to Read the Financial Pages, M. Brett. Random House

(This is an excellent introduction to how the City works)

Applied Economics, A Griffiths & S. Wall. Financial Times/Prentice Hall

(This is a massive compendium which is an excellent blend of theory and data related to the UK economy)

ADDITIONAL READING: On a daily basis you should read a quality newspaper

The Times, The Telegraph, The Independent or The Guardian

An indispensable source of information about UK and International social, economic and political matters is *The Economist* which is published weekly.

Further reading references will be given during the course.

ACADEMIC INTEGRITY:

The University of Maryland has a nationally recognised Code of Academic integrity, administered by the Student Honor Council. This Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for the course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation and plagiarism.

For more information on the Code of Academic Integrity or the Student Honor Council, please visit www.studenthonorcouncil.umd.edu/whatis.html

The University of Maryland is one of a small number of universities with a student administered Honors Code and an Honors Pledge, available on the web at www.jpo.umd.edu/aca/honorpledge.html

The Code prohibits students from cheating on exams, plagiarising papers, submitting the same paper for credit in two courses without authorisation, buying papers, submitting fraudulent documents and forging signatures. The University Senate encourages instructors to ask students to write the following signed statement on each examination or assignment:

"I pledge on my honor I have not given or received any unauthorised assistance on this examination (assignment)."

Suspected cases of dishonesty will be submitted to the Office of Student Conduct.

ASSESSMENT - based on four elements:

- a. 2000 word essay (30%)
- b. Class presentation (20%)
- c. End of course examination (40%)
- d. Overall grade for attendance, punctuality and participation (10%)

NB: During the course there will also be periodic self-test question sheets designed to reinforce and extend understanding of material so far covered. These will not count towards the formal assessment.

ESSAY TO BE SELECTED FROM A LIST TO BE DISTRIBUTED TO ALL STUDENTS
(due date 11 March)

Leave a margin of at least one inch on both sides of the text for comments

Ensure that the essay is headed by the precise title selected from the options given, i.e. do not paraphrase the title

INDICATIVE CRITERIA FOR DETERMINING ESSAY GRADE

- a) Are sentences grammatically correct, clear and precise in meaning and punctuated correctly?
- b) Are there spelling mistakes?
- c) Is the relevant economic theory presented and, where appropriate, illustrated graphically?
- d) Is the argument supported with relevant data?
- e) Does the essay have a discernable structure with an introduction, a main body and a conclusion, rounded off with a bibliography?

PRESENTATION TO BE SELECTED FROM A LIST TO BE DISTRIBUTED TO ALL STUDENTS
(dates to be arranged)

VISITS:

These are an integral part of the course. Participation will be taken into account when assessing your overall grade. Please be conscious of the need to dress appropriately when visiting City institutions - men should wear a jacket with a shirt and tie.

IT IS ESSENTIAL TO BRING PHOTOGRAPHIC I.D

Meet me promptly at the times shown below at **BANK UNDERGROUND TUBE STATION** (Royal Exchange exit 3 at ground level)

February 19th	@ 9.30 am for The Bank of England visit
March 4th	@ 10.45 am for Lloyds visit
April 15th	@ 11.15 am for The London Metal Exchange visit
Details of the visit to the FSA to be announced	

LECTURES & VISITS:

1. 29 January Salient features of the current UK economy
2. 5 February The City - UK capital and financial markets
3. 12 February UK Monetary and Fiscal Policy
4. 19 February Visit to The Bank of England
5. 26 February From 'Keynesianism' to 'Thatcherism' and beyond
6. 4 March Visit to Lloyds
7. 11 March Issues concerning UK Privatisation Policy

Half-term break: 15 March to 30 March inclusive

8. 1 April Evolution of UK Exchange Rate Policy
9. 8 April Visit to the Financial Services Authority (**provisional**)
10. 15 April Visit to The London Metal Exchange.

11. 22 April UK relations with the USA and Europe: Lend-Lease to European Union
12. 29 April The UK and Economic and Monetary Union (EMU)
13. 6 May Revision
14. 13 May **Exam**