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高等院校双语教材 · 金融系列

# THE FINANCIAL SYSTEM AND THE ECONOMY PRINCIPLES OF MONEY & BANKING (Fourth Edition)

## 金融学 (第四版)

莫琳·伯顿 (Maureen Burton)

雷·隆贝拉 (Ray Lombra)

著

瞿 强 编审

勾东宁 译校

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## 出版说明

随着金融全球化进程的不断加快,金融人才的竞争日益激烈,用国际通用的英语来思考、工作、交流的能力也越来越重要。如何顺应这一潮流,培养和造就专业知识和语言水平都具有竞争力的金融人才,一直是各大高等院校和一些主要教材出版单位思考的重要问题,开展双语教学是教育界的共识。双语教学在我国主要指采用汉语和国际通用的英语教学,目的是培养全面的适合国际交流的高素质人才。由于我国长期以来缺乏英语交流的环境,开展双语教学面临着特殊的困难,我们认为双语教学从一开始就应该使用原版的优秀教材,保证语言的原汁原味。

顺应这一潮流,中国人民大学出版社携手国际著名的出版公司,推出了适合经济金融专业的双语系列教材。本套教材具有如下几个特色:

第一,精选教材。本套教材遴选了一批国外优秀的教材,涉及金融学、投资学、公司理财、金融市场与金融机构、国际货币与金融、国际投资、跨国公司财务管理、金融工程、银行管理、保险学等10门课程,涵盖了金融专业开设的主要必修科目。

第二,保持原教材的特色。本套双语教材广泛听取了一线任课教师的意见和建议,考虑到课时要求,采用了删减影印加中文注释的形式,主要是删减了一些相互重复的以及不适应我国国情的内容,但在体系结构和内容特色方面都保持了原教材的风貌。

第三,中文注释,重点突出。为了方便双语教学的开展,我们邀请了金融专业一线的优秀教师对该系列教材添加了中文批注。中文注释主要是针对重点、难点内容,而且在每章的前面都加注了中文导读,方便学生对重点内容的把握。

本套教材主要适用于高等院校经济金融专业的本科教学,同时也适用于金融行业从业人员以及对金融专业感兴趣的人士。

本套教材是对双语教学的积极探索,错误遗漏之处在所难免,恳请广大读者指正。

中国人民大学出版社

## 审 译 者 前 言

高效的金融体系是经济发展的重要支撑。近年来,由于金融创新的深化、金融管制的放松、金融竞争的加剧、以及金融经济全球化进程的加快,金融体系,特别是金融市场和金融机构发生了很大变化;这些变化促进了世界经济的发展。随着金融实践的发展,有关金融体系与经济的理论研究也在不断地深入、成熟。

我国金融业在过去十几年里发展也相当迅速,但是整体水平与发达国家相比还存在着一定的差距。为了提高我国金融体系的效率,特别是提高入世后我国金融业的竞争力,我国需要加快金融人才的培养。在金融人才的培养过程中,高等教育负有重要的责任。货币银行学是金融学专业的主干课程,也是其他经济和管理专业重要的基础课程,是学习和掌握金融基本概念和基本理论的最好途径之一。

莫琳·伯顿和雷·隆贝拉编写的《金融学》(第四版)框架清晰、结构系统,对美国的金融市场、金融机构、金融监管等理论和实践等方面都做了详细的介绍,相对来说比较易于学习理解;同时还提出了一些让人很有兴趣且富有争议的论题。它是一本值得推荐的专业书籍。

本书是原著的摘译版,集中于专业术语和主要观点的翻译,力求让读者能够在短时间内掌握货币银行学的主要内容。本摘译版适用于金融学、货币银行学专业的教师或学生平时教学或学习参考,也可作为金融学专业考研复习参考书。

关于本书的翻译需要说明的是,在翻译过程中,我采用的是直译和意译相结合的方法,在力求译文紧贴书中意思的同时,尽量符合中文的表达习惯。

由于时间和水平有限,译文中难免有错误和不足,敬请读者批评指正。

编审译校者

## Preface

### INTRODUCTION TO THE TEXT

Financial markets and institutions have undergone significant changes in recent years. Technology, innovation, deregulation, competition, globalization, and financial crises have driven transformations. The explosion of international trade and capital flows has escalated the development of international currency markets. Financial institutions have entered nontraditional venues. Laws forbidding the mergers of banks, securities firms, and insurance companies have been overturned. Mega-mergers have occurred that change the scope, size, and activities of financial institutions. Changes in information and computer technologies have fostered the growth of new financial instruments and products, and the development of new and creative ways to hedge and manage risks in a globalized environment. Electronic transfers of funds have come to dominate both checks and currency as payment mechanisms, and e-cash for Internet payments is rapidly evolving. Anti-money laundering activities have become more important since the beginning of the War on Terror. Managers of financial institutions must now make decisions in this new and dynamic milieu where technological innovations are the driving force.

In the mid 2000s, financial market participants face new challenges as they continue to adapt to the changing financial environment. The economy continues to recover from the last recession that began in early 2001 following the bursting of the stock market bubble. Stock prices increased over 20 percent in 2003 and continued to grow, albeit at a slower pace, in 2004. The War on Terror and wars in Afghanistan and Iraq continued to dominate the news along with record oil prices, record trade and government deficits, and a declining dollar.

Given this economic climate, the motivation in developing this text is twofold. First, to capture the ongoing changes in the financial system, particularly with regard to technology and globalization. Second, and most importantly, to present an analytical framework which enables students to understand and anticipate changes in the financial system and the accompanying changes in financial markets and institutions.

### INTENDED AUDIENCE

The text is intended for an introductory undergraduate course in money and banking or financial markets analysis taught in either an economics or finance department. It may also be suitable for use in a financial markets course in an MBA Program.

### CONTENTS OF THE TEXT

*The Financial System and the Economy, 4th Edition*, covers the traditional material found in a money and banking text and incorporates many of the recent changes and controversies within the financial services industry.

In addition, there are several unique features to this edition:

- Greater focus on technological change and its affects on the financial system.
- More thorough scrutiny of how the “modus operandi” of the Fed has dramatically changed, in recent years, including the central bank’s greater openness, its use of asymmetric risk management paradigms, policy regret, and other changes.

- Robust coverage of the securities industry, financial holding companies, equity and debt markets, and the expansion of derivatives and securitizations to hedge risk.
- Greater detail in the analysis of the efficient market hypothesis.
- Continued focus on the globalization of financial markets.

This fourth edition continues to have a clear and engaging writing style and strong intuitive approach, avoiding the encyclopedic and seeking a balance between policy, theory, and institutions. Students find it easy to understand and enjoyable to read. The text makes use of many examples and analogies to illustrate how financial innovation, technological and structural change, and globalization affect the financial environment. Much attention is paid to how and why institutions evolve. Graphs and equations are used sparingly.

Financial markets are evolving at a rapid pace due to changes in technology, regulations, and globalization. We do not focus on “facts” regarding the current state of the financial system. Instead we emphasize the dynamics as to how the current state evolved and where it is likely head. We erect an analytical framework that allows students to unravel the dynamics and intricacies of the financial system.

The chapters contain many features that include examples, historical and international perspectives, and projections about the future that bring the material to life for students. Professors often view the examples that come along at the end of a lecture as a means to tie up the loose ends. We view the examples/illustrations as the nails in the wall on which we hang the analysis; our experience suggests it is the real-world dimension to the text and examples that stays with students well beyond the lecture and, indeed, the course.

A sample of topics covered in these features include recent mega-mergers among financial institutions, changes in the payments mechanism due to technology, the implicit guarantee of government-sponsored enterprise securities, buying and selling stocks over the Internet, purchasing power parity and interest rate parity, the causes of Asian financial crisis, Europe's new single currency, how price expectations are formed, the collapse of Barings Bank and Orange County, the current Federal Reserve Board, the use of intermediate targets since 1970, changes in how the discount rate is set, the flow of funds among sectors, and the bailout of Long Term Capital Management, among others.

The text also contains annotated Suggested Readings that give the students some idea about how the readings related to the material in the chapters. In addition, the Suggested Readings sections contain Internet addresses that pertain to the financial system.

Internet addresses also appear throughout the body of the text that send students to sites relevant to the topics being discussed. Some chapters have review and analytical questions and problems that direct the student to go to an Internet address to locate and analyze financial market data. Internet Applications and Interactive Quizzes can be found at the Web site for the text, <http://burton.swlearning.com/>.

## ORGANIZATION OF THE TEXT

*The Financial System and the Economy, 4th ed.* is organized in six parts.

**Part I** consists of a four chapter introduction. The student is introduced to the economy, money and credit, financial intermediaries, the circular flow, and financial markets and products.

**Part II** consists of three chapters that focus on how interest rates and exchanges rates (financial prices) are determined.

**Part III** consists of four chapters on financial institutions and the forces that shape them. The roles of technology, competition, globalization, and regulations are emphasized in

discussing how institutions evolve. The chapters on financial innovation, financial instability, and the securities industry have been updated.

**Part IV** (one chapter) focuses on financial markets including the international financial system.

**Part V** (three chapters) covers monetary theory including the money supply process, the demand and supply of money and credit. As a capstone, the aggregate demand and supply model is developed.

**Part VI** (three chapters) analyzes monetary policy in an increasingly globalized environment and focuses on the formulation of monetary policy by the Fed Open Market Committee and subsequent execution of the policy directive by the Trading Desk of the New York Fed. The growing need for greater international policy coordination are also addressed.

*The Financial System and the Economy: Principles of Money and Banking* is designed to be flexible. After completing Part I, the instructor can emphasize financial prices (Part II), financial institutions (Part III), financial markets (Part IV), monetary theory (Part V), or monetary policy (Part VI) depending on the focus of the class. In parts that are not being emphasized, chapters may be skipped.

## PEDAGOGICAL FEATURES OF THE TEXT

In addition to presenting the material in a clear and concise manner, we have incorporated the following pedagogical tools to enhance the student's understanding.

- **Learning objectives** at the beginning of each chapter tell the student where the chapter is heading and what questions will be answered by studying the chapter.
- **RECAP** sections are dispersed throughout each chapter to summarize analytical material the student should know before moving forward, and also to check that the student has mastered the preceding material.
- Highlighted features include:
  - **A Closer Look** features that delve more deeply into the topic being discussed and provide enhancement material.
  - **Looking Out** boxes add relevant international material that shows how the interrelationships of global financial systems.
  - **Looking Back** features provide historical background of the foundations of current economic circumstances.
  - **Looking Forward** boxes make projections about possible future situations within the arena of the financial system and economies.
  - **Cracking the Code** features show students how to interpret the financial pages of daily newspapers, including stock, bond, Treasury bill, mutual fund, and foreign exchange quotes, and futures and options prices.
- **Key Terms** are bold-faced in the text where they are defined, listed at the end of each chapter, and also appear in the margins with definitions.
- **Summary of Major Points** are chapter summaries intended to reinforce the chapter content and aid in study for exams and quizzes, as well as provide another check for students to make sure they have not missed an important concept of the chapter.

- End-of-Chapter materials include:
  - **Review Questions, Analytical Questions, and Internet Questions** appear at the end of each chapter. Questions marked with an icon can be answered with a short answer or a single number. Instructors may choose to use these objective questions in larger sections.
  - Annotated **Suggested Readings** that direct the student to related material and include relevant information available on the Internet.

## SUPPLEMENTS TO THE TEXT

*The Financial System & the Economy* offers a comprehensive and well-crafted supplements package for both students and instructors. Contact your Thomson/South-Western sales representative for more details, or visit the Burton Web site at <http://burton.swlearning.com/>.

- **Study Guide.** (ISBN: 0-324-28884-0) The study guide, revised by Christine Mooney of Queensborough Community College, provides chapter outlines and review questions to reinforce learning. These features include Highlights in Detail, Terms and Concepts with definitions, Fill-in questions by topic, True/False, Multiple Choice, and Essay Questions, and Problems, all with answers at the end of each chapter.  
Answers to True/False and Essay Questions, and Problems include detailed explanations.
- **Instructor's Manual.** (ISBN: 0-324-28882-4) This edition's Instructor's Manual, by Maureen Burton, includes chapter summaries, teaching tips, and solutions to all end-of-chapter questions.
- **Test Bank.** (ISBN: 0-324-28883-2) The test bank, revised by Ronnie J. Phillips of Colorado State University, contains multiple choice questions for each chapter.
- **ExamView Testing Software—Computerized Testing Software.** (ISBN: 0-324-28886-7) This testing software contains all of the questions in the printed test bank. ExamView is an easy-to-use test creation software compatible with Microsoft Windows. Instructors can add or edit questions, instructions, and answers; and select questions by previewing them on the screen, selecting them randomly, or selecting them by number. Instructors can also create and administer quizzes online, whether over the Internet, a local area network (LAN), or a wide area network (WAN).
- **Microsoft PowerPoint™ Slides:** These user-friendly slides, revised by Linda Ghent of Eastern Illinois University, serves as lecture enhancement for instructors. These consist of a set of lecture slides and a separate set of exhibits from the text, and are available to instructors only on the text web site at <http://burton.swlearning.com/>.

## The Burton Interactive Study Center (<http://burton.swlearning.com/>)

The Web site designed to be used with this textbook provides a comprehensive chapter-by-chapter online study support that includes interactive quizzing, a glossary, updated and extended applications from the book, and numerous other features. Some of the highlights include:

- **Quizzes** Interactive quizzes help students test their understanding of the chapter's concepts. Multiple-choice questions include detailed feedback for each answer. Students can email the results of a quiz to themselves and/or their instructor.

- **Key Terms Glossary.** A convenient, online glossary enables students to use the point-and-click flashcard functionality of the glossary to test themselves on key terminology.
- **Extensions of-In Text Web Features.** To streamline navigation, the Study Center links directly to Web sites highlighted in each chapter. These applications provide students with opportunities to interact with the material by performing real-world analyses. Their comments and answers to the questions posed in these features can be emailed to the instructor.

### **Burton Xtra! Web Site (<http://burtonxtra.swlearning.com/>)**

By tapping into today's technology, this textbook can reach out to a variety of students with a variety of learning styles and can help instructors ensure that they address the needs of all students. The Burton Xtra! is available to be packaged with the textbook and provides access to a robust set of additional online learning tools. Burton Xtra! contains these key features:

- **E-Lectures.** Interactive E-Lectures. Difficult concepts from each chapter are explained and illustrated via Flash-animated tutorials.
- **Xtra!Quizzing.** In addition to the open-access chapter-by-chapter quizzes found at the Burton Product Support Web site (<http://burton.swlearning.com/>), *Burton Xtra!* offers students the opportunity to practice for midterms and finals by taking more interactive quizzes.
- **e-con@pps Economic Applications.** EconNews Online, EconDebate Online, EconData Online, and EconLinks Online help to deepen students' understanding of theoretical concepts through hands-on exploration and analysis of the latest economic news stories, policy debates, and data.

None of these features requires detailed knowledge of the Internet. Nor are they required for a successful classroom experience if an instructor wants to assign only the materials contained within the textbook. The online enhancements simply offer optional paths for further study and exploration—new ways for students to use their individual learning styles and new ways for instructors to experiment with technology and a wider range of assignment materials.

## About the Authors

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Maureen Burton received a BA from the University of Missouri at Columbia in 1971, an MA from California State University, Fullerton, in 1979, and a Ph.D. from the University of California at Riverside in 1986. All were in economics. She taught at Chaffey College from 1984 to 1987 and at Cal Poly Pomona since 1987 where she is a full professor. At Cal Poly Pomona, she has served as Coordinator of the Graduate Program and as Chair of the Economics Department. In addition to other publications, she co-authored an introductory text *Economics* (Harper Collins, 1987) with S. Craig Justice and *An Introduction to Financial Markets and Institutions*, (South-Western College Publishing, 2002) with Reynold Nesiba and Ray Lombra. Her main areas of research include monetary theory and financial markets.

### Lombra, Raymond

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# PART

# 1

## Introduction

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