

## Financial Markets and Financial Institutions Course Syllabus

<b>Course Chinese Title:</b> 金融市场与金融机构	<b>Course Category (Compulsory/ Elective) :</b> Compulsory
<b>Course English Title:</b> Financial Markets and Financial Institutions	
<b>Total Hours/ Hours Per Week/ Credit(s):</b> 48	<b>Lab Practice/ Practical Hours:</b> 0
<b>Prerequisites:</b> Microeconomics, Macroeconomics, Advanced Mathematics	
<b>Teaching Time:</b> Monday, 14:30-17:10	<b>Classroom:</b> 3406, GuanCheng Campus
<b>Class:</b> 2019 Economics and Finance (Financial Management Industry-University International Program)	
<b>College:</b> School of Economics and Management	
<b>Instructor Name/ Academic Title:</b> Danni Zhou/Teaching assistant	
<b>Office Hour:</b> Wednesday 10:00-12:00 at 3207 Guancheng Campus; by appointment	
<b>Course Assessment Method:</b> Open book (    )    Close book ( <input checked="" type="checkbox"/> )    Report (    )    Other (    )	
<b>Required Textbook:</b> Mishkin, Frederic S. and Stanley G. Eakins. (2014). <i>Financial Markets and Institutions</i> . 8th edition. Pearson. (Copy version, China Renmin University Press, 2017)	
<b>Supplementary Materials:</b> <ol style="list-style-type: none"> <li>1. Mishkin, Frederic S. (2018). <i>Economics of Money, Banking and Financial Markets</i>. 12th edition. Pearson. ISBN- 978-0134733821.</li> <li>2. Malkiel, Burton G. (2019). <i>A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing</i>. 12<sup>th</sup> edition, W. W. Norton &amp; Company. ISBN-978-1324002185. (中文版：《漫步华尔街》)</li> <li>3. <a href="#">Yahoo Finance</a>.</li> </ol>	
<b>Course Description:</b> This course introduces you the financial market and institutions in advanced countries. In the program of Financial Management International Program (FMI), knowledge of financial markets and institutions (Markets, thereafter) is one of the fundamental tools for understanding the world of finance. Comparing to economics, Markets deals with the activities of financial side in the economy, which means you will learn not only the aggregate behavior of financial market that we have discussed in Macro but also the industrial behavior and individual behavior of the participates in the financial markets. This requires the students to equip	

an integrated viewpoint of markets. Analysis of financial markets and institutions opens the fruitful tool box of financial economists for you and helps you to investigate the vivid financial issues by using these shaped tools.

### Course Objectives

CO1.Apply concepts relevant to financial markets and financial institutions, such as the flow of funds, levels of interest rates and interest rate differentials, to current events or topical issues.

CO2.Determine and analyze the appropriate measures of risk and return for various financial instruments. Understand the mechanics and regulation of financial securities exchanges and determine how the value of stocks, bonds, and securities are calculated.

CO3,Identify and evaluate the role symmetric versus asymmetric information plays in the structure and operation of the financial system information.

CO4.Evaluate empirical evidence of market performance and contrast it with theories of market performance.

CO5.Research and analyze specific problems or issues related to financial markets and institutions.

CO6.Explore the international integration of international financial markets and analyze the implications for financial managers.

本课程与学生核心能力培养之间的关联(授课对象为理工科专业学生的课程填写此栏)：

□LOs 1.

□LOs 2.

□LOs 3.

□LOs 4.

□LOs 5.

□LOs 6.

□LOs 7.

□LOs 8.

### Course Plan

Week	Topic	Instructor	Hours	Expected Learning Outcomes	Instructional Mode (Online/Blending/Offline)	Activities	Assignment	Supporting Course Objectives
1	Introduction:	Danni	3	Key points:	Offline	Ice	Read	CO1

	Why Study Financial Markets and Institutions?	Zhou		provide a road map of the book by outlining these exciting issues and exploring why they are worth studying.  Difficulties:  Debt Markets and Interest Rates  Structure of the Financial System		<b>breaker game; Lecture</b>	<b>chapter 1</b>	<b>CO3</b>
2	Overview of Financial System	Danni Zhou	3	Key points: a preliminary overview of the fascinating study of financial markets and institutions.  Difficulties:  Structure of Financial Markets  Internationalization of Financial Markets	<b>Offline</b>	<b>Lecture</b>	<b>Read chapter 2</b>	OC1 OC4
3	Why Do Financial Institutions Exist?	Danni Zhou	3	Key points: providing a theory for understanding why financial institutions exist to promote economic efficiency.  Difficulties: How Moral Hazard Influences Financial Structure in Debt Market	<b>Offline</b>	<b>Lecture</b>	<b>Read chapter 7</b>	OC3 OC4
4	Why Do Financial Crises Occur and Why Are They So Damaging to the Economy	Danni Zhou	3	Key points: developing a framework to understand the dynamics of financial crises.  Difficulties:  What Is a Financial Crisis?  Dynamics of Financial Crises in Advanced Economies	<b>Offline</b>	<b>Lecture</b>	<b>Read chapter 8</b>	OC1 OC6

5	National Holiday							
6	The Money Market	Danni Zhou	3	<p>Key points: why the money markets are important to our financial system</p> <p>Difficulties:</p> <p>Money Market Instruments</p> <p>The Purpose of the Money Markets</p>	Offline	Lecture	Read chapter 11	OC5
7	The Bond Market	Danni Zhou	3	<p>Key points: a brief introduction on how the capital markets operate and launching into the study of bonds.</p> <p>Difficulties:</p> <ol style="list-style-type: none"> <li>1. Finding the Value of Coupon Bonds</li> <li>2. Types of Corporate Bonds</li> </ol>	Offline	Lecture	Read chapter 12	OC3
8	The Stock Market	Danni Zhou	3	<p>Key points: identified the capital markets as the place where long-term securities trade.</p> <p>Difficulties:</p> <ol style="list-style-type: none"> <li>1. Common Stock vs. Preferred Stock</li> <li>2. How Stocks Are Sold</li> </ol> <p>Ethical and Political Learnings:</p> <p>examine the fundamental theories that underlie the valuation of stocks.</p>	Offline	Lecture	Read chapter 13	OC4
9	The Mortgage Markets	Danni Zhou	3	<p>Key points: identify the characteristics of typical residential mortgages, discuss the usual terms and types of mortgages available, and review who provides and</p>	Offline	Lecture	Read chapter 14	OC3

				<p>services these loans.</p> <p>Difficulties:</p> <p>Loan Terms</p> <p>Mortgage Loan Amortization</p> <p>Types of Mortgages</p> <p>Ethical and Political Learnings:</p> <p>the discussion of issues in the mortgage-backed security market and the recent crash of the subprime mortgage market begun</p>				
10	Midterm exam	Danni Zhou	3		<b>Offline</b>	Midterm exam	Review Notes	OC1 OC2
11	Banking and Management of Financial Institutions	Danni Zhou	3	<p>Key points: how banking is conducted to earn the highest profits possible</p> <p>Difficulties:</p> <p>The Bank Balance Sheet</p> <p>Basic Banking</p>	<b>Offline</b>	<b>Lecture</b>	<b>Read chapter 17</b>	OC6
12	Financial Regulation	Danni Zhou	3	<p>Key points: develop a framework to see why regulation of the financial system takes the form it does.</p> <p>Difficulties: use the analysis of financial regulation to explain the worldwide crises in banking</p> <p>Ethical and Political Learnings:</p> <p>consider how the regulatory system can be reformed to prevent future disasters.</p>	<b>Offline</b>	<b>Lecture</b>	<b>Read chapter 18</b>	OC1 OC4


13	Banking Industry: Structure and Competition	Danni Zhou	3	Key points: examining the historical trends in the commercial banking industry and its overall structure.  Difficulties:  examine the forces behind the growth in international banking to see how it has affected us	Offline	Lecture	Read chapter 19	OC1 OC5
14	The Mutual Fund Industry	Danni Zhou	3	Key points: why mutual funds have become so popular in recent years,  Difficulties:  the types of mutual funds, how mutual funds are regulated, and finally, how conflicts of interest in the mutual fund industry have led to many scandals, fines, and indictments since 2001.	Offline	Lecture	Read chapter 20	OC2 OC4
15	Insurance Companies and Pension Funds	Danni Zhou	3	Key points: continue our discussion of financial institutions by looking at two nonbank institutions: insurance companies and pension funds. Insurance  Difficulties:  Fundamentals of Insurance  Adverse Selection and Moral Hazard in Insurance	Offline	Lecture	Read chapter 23	OC1 OC2
16	Review	Danni Zhou	3	Review for final exam	Offline	Lecture	Review for final exam	OC5 OC6
Total:			48					
Assessment and Grading								

Assessment Method	Evaluation Criteria	Percentage (%)	Supporting Course Objectives
Attendance& Participation	If you are late or leave early, your grade will be taken one point each time. If you are absent for one class, the taken point will be 2 for each absentee. Give questions is a good way to get points in attendance.	10%	OC1 OC4
Midterm exam, 20%	Questions for 100 points on the test paper and will be weighted to be 20% in your grade.	20%	OC3 OC5
Final exam, 70%	Questions for 100 points on the test paper and will be weighted to be 70% in your grade.	70%	OC2 OC6

**Syllabus Submission Date: 2020.08.25**

**School Reviewal:**

Approved

Signature: 

Date: 2020.08.29