



ECON 326: Financial Markets and Institutions

General Information:

Term: 2021 Summer Session
Instructor: Staff
Language of Instruction: English
Classroom: TBA
Office Hours: TBA
Class Sessions Per Week: 5
Total Weeks: 5
Total Class Sessions: 25
Class Session Length (minutes): 145
Credit Hours: 4

Course Description:

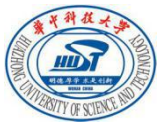
This course studies the fundamental principles that govern financial markets and institutions and the roles they play in the business environment. Students will explore the operation mechanism of global financial markets, their key institutional features, and the theoretical underpinnings of their design. Topics will include different types of financial securities such as debt, equity, convertible debt, and preferred stocks traded in the market, their relative advantages and disadvantages and the roles of institutions such as banks, credit rating agencies and institutional investors in these markets. The aim of this course is to help students have a clear understanding about the structure and design of global financial markets and institutions.

Course Materials:

Recommended Texts:

Financial Markets and Institutions, Peter Howells and Keith Bain, 5th Edition

An Introduction to Financial Markets and Institutions, Maureen Burton, Reynold Nesiba & Bruce Brown, 2nd Edition



Course Format and Requirements:

The course is mainly in the form of lecturing, the materials of which will be designed by the instructor before each class. The contents of the lectures are based on the textbooks, and supplemented reading materials and case studies will be given by the instructor.

In order to get a thorough understanding of the knowledge presented, students are supposed to finish all the assigned readings before class and finish the assignment of Preparedness for Class for in-class discussions.

Attendance:

Students are supposed to be present at all class sessions. Notifications about absence reasons to the instructor should be done in advance if students are not able to attend classes. Students will be allowed a one-time pass for an emergency absence. Other than that, one time of absence would result in More than three absences will result in the failure of the course. Active participation in all classroom activities is also very important for students to achieve success in this course.

Grading Scale (percentage):

A+: 98%-100%

A: 93%-97%

A-: 90%-92%

B+: 88%-89%

B: 83%-87%

B-: 80%-82%

C+: 78%-79%

C: 73%-77%

C-: 70%-72%

D+: 68%-69%

D: 63%-67%

D-: 60%-62%

F: Below 60%

Course Assignments:

Homework Problem Sets:



All assignments must be turned in at the start of class on their due date. Late work will not be accepted. Students are encouraged to work together on the problem sets, but each student must turn in individual work. Problem sets are graded on accuracy as well as on effort. Answers that are vague, difficult to read, or appear incomplete will not receive full credit.

Quizzes:

There will be five quizzes in total, which account for 20% of the final grade. No make-up quiz will be given.

Midterm Exam & Final Exam:

There will be 2 midterm exams and 1 final exam administered throughout the course. See the tentative schedule below for the dates of exams.

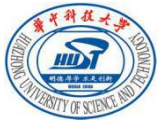
The two midterm exams will be in-class, non-cumulative, while the final exam will be cumulative.

Course Assessment:

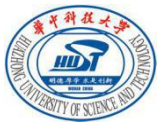
Homework	10%
Quizzes	20%
Midterm Exams 1	20%
Midterm Exams 2	20%
Final Exam	30%
Total	100%

Course Schedule:

Class 1	Course overview; Go through syllabus;
Class 2	Introduction to International Financial System
Class 3	The Financial System and Real Economy
Class 4	Quiz 1 Deposit-taking Institution



Class 5	Non-deposit-taking Institution
Class 6	Quiz 2 The Money Markets- Part 1
Class 7	The Money Markets- part 2
Class 8	Midterm 1
Class 9	The Capital Markets-Part 1
Class 10	The Capital Markets-Part 2
Class 11	Quiz 3 Interest Rates-Part 1
Class 12	Interest Rates-Part 2
Class 13	Quiz 4 Foreign Exchange Market-Part 1
Class 14	Foreign Exchange Market-Part 2
Class 15	Foreign Exchange Market-Part 3
Class 16	Midterm 2(Non-cumulative)
Class 17	Exchange Rate Risk, Derivatives Markets and Speculation-Part 1
Class 18	Exchange Rate Risk, Derivatives Markets and Speculation-Part 2
Class 19	Exchange Rate Risk, Derivatives Markets and Speculation-Part 3
Class 20	Quiz 5 International Capital Market-Part 1
Class 21	International Capital Market-Part 2
Class 22	Government Borrowing and Financial Markets
Class 23	Quiz 6 Financial Market Failure and Financial Crisis
Class 24	The Regulation of Financial Markets



Class 25	Revision for final exam
Final Exam (Cumulative): TBA	

Academic Integrity:

Students are encouraged to study together, and to discuss lecture topics with one another, but all other work should be completed independently.

Students are expected to adhere to the standards of academic honesty and integrity that are described in the Huazhong University of Science & Technology's *Academic Conduct Code*. Any work suspected of violating the standards of the *Academic Conduct Code* will be reported to the Dean's Office. Penalties for violating the *Academic Conduct Code* may include dismissal from the program. All students have an individual responsibility to know and understand the provisions of the *Academic Conduct Code*.

Special Needs or Assistance:

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.