



Sungkyunkwan University (SKKU) International Summer Semester (ISS) 2017  
"New Experience, New Engagement"

## Financial Markets and Institutions

Dr. Mingzhu Wang, King's College London

### SHORT COURSE DESCRIPTION

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This module examines the nature of financial markets and the role of financial intermediaries, such as banks, within such markets. Among the issues analyzed are the nature of market efficiency, the extent to which asset prices reflect rational decisions as compared to psychological or speculative factors, the comparative merits of market-based and institution-based finance and the question of financial regulation. The module will examine both theoretical models and the recent experience of financial markets and institutions.

### READING MATERIALS

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Mishkin, F. S. and Eakins, S. G. (2015) Financial Markets and Institutions, Global Edition

### COURSE REQUIREMENTS AND GRADING

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This course will be taught through a combination of lectures and discussion groups allowing for intensive study of practical problems related both to the operation of financial markets and to decision making within financial intermediaries and regulators. Students' performance will be assessed as below by a combination of attendance, review tests and group project presentations.

Grading:

Attendance	30%
Two MCQ Review Tests	45%
Group Project Presentation	25%

Assessment criteria:

*Attendance:* students will get one point for attending each session. Students are required to attend at least 80% of all lectures and workshops according to SKKU regulations.

*Two review tests:* student will take two review tests to the learning materials covered in the course. The first review test, covering the first four topics of the course, accounts towards 15% of the final mark of 100 points. The second review test covers the rest eight topics of the course and accounts towards 30% of the final mark. In total, students have a maximum of 45 points for the two review tests designed for the course. Students should achieve at least 27 points for the two review tests to pass the course.

*Group Project Presentations:* students will be allocated into groups of 5-6 and assigned with project topics focusing on key issues of debates within the analysis of financial markets and institutions. Each group is required to give a presentation of about 15-20 minutes on the assigned topic. The group project presentation will be assessed according to students' understanding to the topic, clarity in presentation and appropriate use of references.

## COURSE SCHEDULE

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### – WEEK I –

#### Tuesday (27 June)

Lecture topic: Why Study Financial Markets and Institutions?

Preparatory reading: Mishkin and Eakins (2015) chapter 1

Assignment: End of chapter questions

Group project allocation and assignment

#### Wednesday (28 June)

Lecture topic: What Do Interest Rates Mean and What Is Their Role in Valuation?

Preparatory reading: Mishkin and Eakins (2015) chapter 3

Assignment: End of chapter questions

#### Thursday (29 June)

Lecture topic: The Roles of Central Banks

Preparatory reading: Mishkin and Eakins (2015) chapter 7

Assignment: End of chapter questions

#### Friday (30 June)

Lecture topic: Market Efficiency and Behavior Issues in Financial Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 6

Assignment: End of chapter questions

### – WEEK II –

#### Monday (3 July)

***Review Test I on the 4 topics taught in Week I (one hour).***

Lecture topic: The Money Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 9

Assignment: End of chapter questions

#### Tuesday (4 July)

Lecture topic: The Bond Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 10

Assignment: End of chapter questions

#### Wednesday (5 July)

Lecture topic: The Stock Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 11

Assignment: End of chapter questions

#### Thursday (6 July)

Lecture topic: The Mortgage Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 12

Assignment: End of chapter questions

Friday (7 July)

Lecture topic: Commercial Banking Industry, Savings Associations and Credit Unions

Preparatory reading: Mishkin and Eakins (2015) chapters 18 and 19

Assignment: End of chapter questions

Monday (10 July)

Lecture topic: The Mutual Fund Industry

Preparatory reading: Mishkin and Eakins (2015) chapter 21

Assignment: End of chapter questions

Tuesday (11 July)

Lecture topic: Insurance Companies and Pension Funds

Preparatory reading: Mishkin and Eakins (2015) chapter 22

Assignment: End of chapter questions

Wednesday (12 July)

Lecture topic: Investment Banks, Security Brokers and Dealers, and Venture Capital Firms

Preparatory reading: Mishkin and Eakins (2015) chapter 23

Assignment: End of chapter questions

Thursday (13 July)

Group Project Presentation Session I

Friday (14 July)

Group Project Presentation Session II

– WEEK IV –

Monday (17 July)

***Review Test II on the 8 topics taught in Week II & III (Two Hours).***