



# Financial Markets and Institutions

Dr. Mingzhu Wang, King's College London

## SHORT COURSE DESCRIPTION

This module examines the nature of financial markets and the role of financial intermediaries, such as banks, mutual funds, insurance companies and pension funds. 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 practical examples of financial markets and institutions.

## READING MATERIALS

The lectures provide the core content of the course, introducing key theories, practices and research findings. The information is supplemented by relevant readings from the below textbook:

Mishkin, F. S. and Eakins, S. G. (2015) *Financial Markets and Institutions*, Global Edition. (Other versions of this book are also find for learning this course. So below images are just examples.)



## COURSE REQUIREMENTS AND GRADING

This course will be taught through a combination of lectures and discussions allowing for an intensive study of practical problems related to the operation of financial markets and decision making within financial intermediaries and regulators. Students' performance will be assessed as below by a combination of attendance, group project presentation, and final exam.

Grading:

**All ISS courses are either pass [grades above 60] or fail [ grades below 60]**

Assessment Structure:

Attendance	30%
Group Project Presentation	30%
Final Exam	40%

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.

*Group Project Presentations:* students will be allocated into groups of 4-5 students 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 20-25 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.

*Final Exam:* in the last session of the course, student will take the final exam that covers all the learning materials taught in the course.

## **COURSE SCHEDULE**

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### **– WEEK I –**

#### Thursday (25 June)

Lecture topic: **An Introduction of Financial Markets and Institutions**

Preparatory reading: Mishkin and Eakins (2015) chapter 1

Assignment: End of chapter questions

Group project allocation and assignment

#### Friday (26 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

### **– WEEK II –**

#### Monday (29 June)

Lecture topic: **The Money Markets**

Preparatory reading: Mishkin and Eakins (2015) chapter 9

Assignment: End of chapter questions

#### Tuesday (30 June)

Lecture topic: **The Bond Markets**

Preparatory reading: Mishkin and Eakins (2015) chapter 10

Assignment: End of chapter questions

#### Wednesday (1 July)

Lecture topic: **The Stock Markets**

Preparatory reading: Mishkin and Eakins (2015) chapter 11

Assignment: End of chapter questions

#### Thursday (2 July)

Lecture topic: **The Foreign Exchange Markets**

Preparatory reading: Mishkin and Eakins (2015) chapter 15

Assignment: End of chapter questions

### **– WEEK III –**

Monday (6 July)

Lecture topic: **Capital Asset Pricing Model and Portfolio Investment**

Tuesday (7 July)

Lecture topic: **Market Efficiency Hypotheses**

Preparatory reading: Mishkin and Eakins (2015) chapter 6

Assignment: End of chapter questions

Wednesday (8 July)

Lecture topic: **Behavior Issues in Financial Markets**

Preparatory reading: Mishkin and Eakins (2015) chapter 15

Assignment: End of chapter questions

Thursday (9 July)

Lecture topic: **The Roles of Central Banks**

Preparatory reading: Mishkin and Eakins (2015) chapter 7

Assignment: End of chapter questions

– WEEK IV –

Monday (13 July)

Lecture topic: **Commercial Banking Industry**

Preparatory reading: Mishkin and Eakins (2015) chapter 19

Assignment: End of chapter questions

Tuesday (14 July)

Lecture topic: **The Mutual Fund Industry**

Preparatory reading: Mishkin and Eakins (2015) chapter 21

Assignment: End of chapter questions

Wednesday (15 July)

Lecture topic: **Insurance Companies and Pension Funds**

Preparatory reading: Mishkin and Eakins (2015) chapter 22

Assignment: End of chapter questions

Thursday (16 July)

**Open-book Final Exam**

Friday (17 July)

**Group Project Presentations**

30 Minutes per group (20-25 min for presentations + 5 min for questions)