



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, 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

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

COURSE REQUIREMENTS AND GRADING

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 seven topics of the course, accounts towards 15% of the final mark of 100 points. The second review test covers all the topics of the course and accounts towards 30% of the final mark. In total, students have a maximum of 45 points for both review tests designed for the course. Students should achieve at least 27 points combined for both review tests to pass the course.

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.

COURSE SCHEDULE

– WEEK I –

Tuesday (26 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 (27 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 (28 June)

Lecture topic: The Money Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 9

Assignment: End of chapter questions

Friday (29 June)

Lecture topic: The Bond Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 10

Assignment: End of chapter questions

– WEEK II –

Monday (2 July)

Lecture topic: The Stock Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 11

Assignment: End of chapter questions

Tuesday (3 July)

Lecture topic: The Foreign Exchange Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 15

Assignment: End of chapter questions

Wednesday (4 July)

Lecture topic: Market Efficiency Hypotheses

Preparatory reading: Mishkin and Eakins (2015) chapter 6

Assignment: End of chapter questions

Thursday (5 July)

Review Test I on the previous topics taught in Week I & Week II (One hour).

Lecture topic: Behavior Issues in Financial Markets

Preparatory reading: Mishkin and Eakins (2015) chapter 15

Assignment: End of chapter questions

– WEEK III –

Monday (9 July)

Lecture topic: The Roles of Central Banks

Preparatory reading: Mishkin and Eakins (2015) chapter 7

Assignment: End of chapter questions

Tuesday (10 July)

Lecture topic: Commercial Banking Industry

Preparatory reading: Mishkin and Eakins (2015) chapter 19

Assignment: End of chapter questions

Wednesday (11 July)

Lecture topic: The Mutual Fund Industry

Preparatory reading: Mishkin and Eakins (2015) chapter 21

Assignment: End of chapter questions

Thursday (12 July)

Lecture topic: Insurance Companies and Pension Funds

Preparatory reading: Mishkin and Eakins (2015) chapter 22

Assignment: End of chapter questions

– WEEK IV –

Monday (16 July)

Review Test II on all taught topics in the course (Two Hours).

Q&A for group presentations

Tuesday (17 July)

Group Project Presentation Session I

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

Wednesday (18 July)

Group Project Presentation Session II

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