

Financial Markets and Institutions (FIN 230)

COURSE SYLLABUS

Instructor: Adeebah Mohammed Alayed

E-mail: adalayed@ksu.edu.sa

Office Hours:

COURSE DESCRIPTION

This course explains and analyzes how financial markets and institutions work and interact with each other. The aim of the course is to give a general idea about the financial markets, where funds change hands. The investors, who have funds, and the borrowers, who need funds, meet at the financial markets. Sometimes it is not easy for the lender and borrower to find each other so they need an intermediary institution to finalize their transaction. These intermediaries in the financial markets are called financial institutions and they are very important for the financial system to work efficiently. The first part of this course is an overview of financial markets. The second part of the course is the analysis of specific financial markets and institutions.

LEARNING OUTCOMES

Students who complete this course should be able to:

- ✓ Understand general structure of financial markets with institutions and instruments in order to differentiate their roles in the economy.
- ✓ Understand the importance of financial intermediation for economic agents.
- ✓ Understand the difference between money market and capital market debt instruments
- ✓ Understand the factors that determine interest rate levels, as well as their past, present, and expected future movements.
- ✓ Understand the risks facing a modern financial institution and how to measure and manage such risks.

RECOMMENDED MATERIALS

Required Textbook:

Anthony Saunders, Marcia Million Cornett: *Financial Markets and Institutions*, 8th Edition, McGraw Hill INTERNATIONAL EDITION.

CHAPTERS TO BE COVERED

WEEK	CHAPTER	DESCRIPTION	Assignments		
			LS	HW	Quiz
1	1	Introduction and Overview of Financial Markets	1	1	1
2&3	2	Determinants of Interest Rates	1		
3&4	3	Interest Rates and Security Valuation	1		
5	4	The Federal Reserve System, Monetary Policy, and Interest Rates	1	1	
6&8	5	Money Markets	1		
8&9	6	Bond Markets	1	1	1
10	7	Mortgage Markets	1		
11&14	8	Stock Markets	1	1	
15&16	10	Derivative Securities Markets (Selected topics)	1		
Total			9	4	2

EVALUATION

Midterm exam	25%
Engagement	10%
Quizzes	10%
project	5%
HW Assignment	5%
LS Assignments	5%
Final exam	40%
Total	100%

Engagement:

Engagement will be assessed based on student lecture attendance, discussion, and participation.

HOMEWORK ASSIGNMENT:

HW assignments are drawn from the problems at the end of each textbook chapter and practice problems. You should correctly answer each question **prior to the posted due date**. You have

unlimited number of attempts to do the assignment and we will pick the **best score** for each HW assignment for grading.

LEARNSMART ASSIGNMENT:

LS assignments are **reading assignments** and you will be assigned 1 LS assignments for each chapter.

QUIZZES:

These quizzes are provided as an aid **for preparing for the midterm and the final exam**. The practice quiz will contain **5-15** questions and you will only **have 30 minutes** to take the quiz.

Each quiz will only pertain to the chapters that are being covered in the preceding 3-4 weeks. The instructor reserves the right to utilize whatever format (true-false, multiple choice, fill in the blank, essay/short answer) or combination of formats she deems necessary and in the students' best interest. Remember, you only have **one attempt** and your overall quizzes evaluation we be based on the all of the 2 quizzes.

EXAMS:

There shall be two examinations given during this course, one midterm exam and a final examination. You will have one hour to take the midterm exam.

The instructor reserves the right to utilize whatever format (true-false, multiple choice, fill in the blank, essay/short answer) or combination of formats she deems necessary in the students' best interest. There is no make-up for missed Midterm exams and Final exams. Students are expected to take the exams during the week they are given. Remember, you only have one attempt, and midterm/final exams are closed book!!!!

			Included chapters
Quiz 1 (week 5)			1,2,3
Mid Exam (week 15)			1,2,3,4,5
Quiz 2 (week 17)			6,7

This syllabus is subject to change. Changes, if any, will be announced in class. Students will be held responsible for all changes

