



Hunan University ECON 361: Financial Markets and Institutions

Professor: To be announced
Total contact hours: 54 hours
Credit: 4

Course Description

This course can show us the overview of the financial system, and offer us the information about the fundamentals of financial markets, fundamentals of financial institutions. We can also learn something about the general banks and the federal reserve system. More knowledge about the money markets, bond markets, stock markets, mortgage markets, foreign exchange markets and the international financial system will be provided. We can also know the management of financial institutions.

Required Material

Textbook: *Financial Markets and Institutions*
Author: Frederic S. Mishkin, Stanley G. Eakins
Edition: 7th Edition
Publisher: Pearson

Grading

- Assignments 20%
- Quizzes 20%
- Midterm 20%
- Final Exam 40%

A+ 96-100	A 90-95	A- 85-89
B+ 82-84	B 78-81	B- 75-77
C+ 71-74	C 66-70	C- 62-65
D 60-61	F < 60	

Course Schedule

The course has 24 class sessions in total. All sessions are 2 hours and 15 minutes in length.
Note: the course outline and required readings are subject to change.



Class 1:

Introduction to the course and syllabus-related materials

Class 2:

Part 1: Introduction

Chapter 1: Why Study Financial Markets and Institutions?

Chapter 2: Overview of the Financial System

Class 3:

Part 2: Fundamentals of Financial Markets

Chapter 3: What Do Interest Rates Mean and What Is Their Role in Valuation?

Class 4:

Part 2: Fundamentals of Financial Markets

Chapter 4: Why Do Interest Rates Change?

Class 5:

Part 2: Fundamentals of Financial Markets

Chapter 5: How Do Risk and Term Structure Affect Interest Rates?

Chapter 6: Are Financial Markets Efficient?

Class 6:

Review of Chapter 1 to Chapter 6

Quiz 1

Class 7:

Part 3: Fundamentals of Financial Institutions

Chapter 7: Why Do Financial Institutions Exist?

Class 8:

Part 3: Fundamentals of Financial Institutions

Chapter 8: Why Do Financial Crises Occur and Why Are They So Damaging to the Economy?

Class 9:

Part 4: Central Banking and The Conduct of Money Policy

Chapter 9: Central Banks and the Federal Reserve System

Class 10:

Part 4: Central Banking and The Conduct of Money Policy

Chapter 10: Conduct of Monetary Policy: Tools, Goals, Strategy, and Tactics

Review of Chapter 7 to Chapter 10

Quiz 2



Class 11:

Part 5: Financial Markets

Chapter 11: The Money Markets

Class 12:

Part 5: Financial Markets

Chapter 12: The Bond Market

Chapter 13: The Stock Market

Class 13:

Part 5: Financial Markets

Chapter 14: The Mortgage Markets

Chapter 15: The Foreign Exchange Market

Class 14:

Part 5: Financial Markets

Chapter 16: The International Financial System

Class 15:

Review and Midterm

Class 16:

Part 6: The Financial Institutions Industry

Chapter 17: Banking and the Management of Financial Institutions

Chapter 18: Financial Regulation

Class 17:

Part 6: The Financial Institutions Industry

Chapter 19: Banking Industry: Structure and Competition

Chapter 20: The Mutual Fund Industry

Class 18:

Part 6: The Financial Institutions Industry

Chapter 21: Insurance Companies and Pension Funds

Class 19:

Part 6: The Financial Institutions Industry

Chapter 22: Investment Banks, Security Brokers and Dealers, and Venture Capital Firms

Class 20:

Review of Chapter 11 to Chapter 22

Quiz 3



Class 21:

Part 7: The Management of Financial Institutions

Chapter 23: Risk Management in Financial Institutions

Chapter 24: Hedging with Financial Derivatives

Class 22:

Part 7: The Management of Financial Institutions

Chapter 25: Savings Associations and Credit Unions

Chapter 26: Finance Companies

Class 23:

Overall Review

Class 24:

Final Exam

Attending Policy

Regular and prompt attendance is required. Under ordinary circumstances, you may miss two times without penalty. Each absence over this number will lower your course grade by a third of a letter and missing more than five classes may lead to a failing grade in the course. Arriving late and/or leaving before the end of the class period are equivalent to absences.

Policy on "Late Withdrawals"

In accordance with university policy, appeals for late withdrawal will be approved ONLY in case of medical emergency and similar crises.

Academic Honesty

Hunan University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating, and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

General Expectations:

Students are expected to:

- Attend all classes and be responsible for all materials covered in class and otherwise assigned;
- Complete the day's required reading and assignments before class;
- Review the previous day's notes before class and make notes about questions you have about the previous class or the day's reading;



- Participate in class discussions and complete required written work on time;
- Refrain from texting, phoning or engaging in computer activities unrelated to class during the class period;
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.

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.