

COURSE SPECIFICATION DOCUMENT

School:	Business
Programme:	BA Finance and Investment
FHEQ Level:	6
Course Title:	Financial Institutions and Markets
Course Code:	FNN 6210
Course Leader:	Ivan K. Cohen
Student Engagement Hours:	120 (standard 3- credit BA course)
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	75
Semester:	Fall
Credits:	12 UK CATS credits 6 ECTS credits 3 US credits

Course Description

This course introduces the student to the spectrum of financial institutions that operate in the global economy—depository, contractual and investment institutions—and the wide array of markets in which they trade. The economic roles of the financial institutions and major trends in the financial system are analyzed within the existing regulatory environment. Significant focus is devoted to operational issues in the financial system, particularly regarding risk: interest rate risk, liquidity risk, market risk, credit risk, operations risk, technology risk, as well as foreign exchange, political and sovereign risks. The course discusses key regulatory issues, as well as introducing Islamic finance.

Prerequisites: ECN 4105, ECN 4110, and
FNN 5200 or ECN 5210

Aims and Objectives:

This Course enables the student to understand the nature and role of the financial system within the broader economy. Its primary focus is on the financial markets and financial institutions which are key components of the financial system. Significant focus is devoted to operational

issues, including the various forms of risk and their management. Regulation and compliance are discussed as a continuously evolving phenomenon. Islamic finance is also considered.

Programme Outcomes

A1, B1, B2, B5, D1, D4, D5

A detailed list of the programme outcomes are found in the Programme Specification.

This is located at the archive maintained by the Academic Registry and found at:

<http://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes

Upon completion of this course, a successful student should be able to

Knowledge and Understanding

1. Develop an understanding of the nature and role of the financial system, including identification of trends and also the nexus between regulation and innovation.
2. Develop a full understanding of the objectives and strategies of financial institutions, including risk management and asset/liability management.
3. Understand financial asset price determination, including the term structure of interest rates.
4. Understand the measurement and management of various forms of financial risk.
5. Understand the relationship between the real economy and the international financial system, including the growth of Islamic finance.

Cognitive Skills

1. Understanding the language and jargon of finance and be able to converse fluently.
2. Being able to understand the nature and role of the financial system—including its regulation—as a key component of the economy.
3. Being able to compare and contrast the various forms of financial institutions, and of financial markets.
4. Being able to understand and recognise the continually evolving nature of the international financial system.

Practical and/or Professional Skills

1. Quantitative and IT skills including the framing of data, its interpretation, extrapolation and presentation.
2. Integration of empirical data within a textual-based report.
3. The ability to apply key Finance concepts and theories, to finding policy resolutions for financial issues and problems.

Key Skills

1. Effective communication skills via a range of media.

2. Ability to develop strong analytical skills through listening, discussion and reflection.

Indicative Content:

1. The historic evolution of the financial system in response to changing circumstances.
2. Introduction to Islamic finance.
3. Financial markets: Money markets and capital markets.
4. Financial intermediation: depository FIs, contractual FIs, investment FIs.
5. Asset pricing: the term structure of interest rates, exchange rates.
6. International financial markets.
7. Risk management.
8. Financial regulation and compliance.

Assessment:

This course conforms to the Standard University Assessment Norms approved at Academic Board (formerly Learning & Teaching Policy Committee) and located at: <http://www.richmond.ac.uk/admitted-students/>

Teaching Methodology:

Semi-formal bi-weekly presentation of material in lecture format interspersed with discussion. Supplemented with a rigorous set of readings and some audio-visual material. Full use of IT, including social media and podcasts, is encouraged and supported. The empirical project is of crucial impact as a learning tool.

Bibliography:

- Keith Bain and Peter Howells (2007) *Financial Markets and Institutions*, 5th edition. Financial Times/Prentice Hall
- Ivan K. Cohen (2005) *Focus on Financial Management*. Imperial College Press
- Ivan Cohen and Khine Kyaw (2009), *Globalisation of Financial Markets*. London: ifs School of Finance
- John Hicks (1989) *A Market Theory of Money*. Clarendon Press
- Frederic S. Mishkin and Stanley Eakins (2011) *Financial Markets and Institutions*, 7th edition. Pearson Education
- Peter S. Rose and Milton H. Marquis (2008) *Money and Capital Markets*, 10th edition. McGraw- Hill Higher Education
- Janette Rutterford with Marcus Davison (2007) *An Introduction to Stock Exchange Investment*, third edition. Palgrave Macmillan
- Stephen Valdez and Philip Molyneux (2010) *An Introduction to Global Financial Markets*, 6th edition. Palgrave Macmillan

Journals

- Journal of Economic Perspectives*
Journal of Money, Credit and Banking
Journal of Risk Management in Financial Institutions
Journal of Financial Transformation

Web Sites

- The Economist* (www.economist.com)
The Financial Times (www.ft.com)
The Wall Street Journal (wsj.com)
Briefing Notes in Economics (www.richmond.ac.uk/bne)
- The International Monetary Fund (IMF) (www.imf.org)
 The World Bank (www.worldbank.org)
 The European Central Bank (ECB) (www.ecb.int)
 The Bundesbank (www.bundesbank.de)
 The Bank of England (www.bankofengland.co.uk)
 The Bank of Japan (www.boj.or.jp/en)
 The Federal Reserve Board (www.federalreserve.gov)
 The Federal Open Market Committee (FOMC) (www.federalreserve.gov/FOMC)
 The Federal Deposit Insurance Corporation (FDIC) (www.fdic.gov)
 Comptroller of the Currency (www.occ.treas.gov)
 Social Science Information Gateway (www.sosig.ac.uk/economics)
 WebEc: World Wide Web Resources in Economics (netec.mcc.ac.uk/WebEc.html)
 The CIA Factbook (www.cia.gov/cia/publications/factbook/index.html)

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or LTPC)	Change Actioned by Academic Registry
Minor	Prerequisite change	7 th February 2014	
Minor	Change Programme Outcomes	School: 11.11.16	