

Syllabus
University of Missouri – St. Louis
Financial Institutions and Markets
Finance 6540
Fall 2017

Contact Information

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Welcome

Welcome to the online edition of Finance 6540 class. I will be following your progress during the semester and will provide you with suggestions and support to help you in the process. Once again, welcome to the course and I look forward to working with you.

Course Description and Goals

This course is designed to provide an overview of financial markets and institutions and to discuss the technical details of how these entities operate. The weekly reading and homework assignments are carefully selected to help you with the skill-set required in the marketplace. The goal is to prepare you for positions in the financial industry or other sectors that require such knowledge.

We will be supplementing the book chapters and end-of-chapter questions and problems with occasional outside readings.

Prerequisite: Financial Management (Finance 6500)

Textbook

Saunders, Anthony and Marcia Millon Cornett, *Financial Markets and Institutions*, McGraw-Hill, 2015 (sixth edition)

Course Schedule

Week of Aug 21	Ch. 1	Introduction
Week of Aug 28	Chs 2-3	Determinants of Interest Rates; Interest Rates/ Security Valuation
Week of Sep 4	Ch 4	The Federal Reserve System, Monetary Policy
Week of Sep 11	Chs 5 – 6	Money Markets, Bond Markets
Week of Sep 18	Chs 7-8	Mortgage Markets, Stock Markets
Week of Sep 25	Chs 9 – 10	Foreign Exchange Markets, Derivatives
Oct 6-8	EXAM 1	
Week of Oct 9	Chs 11 – 12	Commercial Banks Industry Overview, Commercial Banks' Fin. Statement
Week of 16	Chs 13 -14	Regulation of Commercial Banks, Other Lending Institutions
Week of Oct 23	Chs 15 - 16	Insurance Companies, Securities Firms, and Investment Banks
Week of Oct 30	Chs 17 – 18	Investment Companies, Pensions Funds

Week of Nov 6 Chs 19 -20 Types of Risk Incurred by Fin. Inst., Managing Credit Risk

Week of Nov 13 Chs 21 -22: Managing Liquidity Risk, Managing Interest Rate Risk

Week of Nov 20 **Spring Break**

Week of Nov 27 Chs 23 - 24 Managing Off-Balance-Sheet- Risk with Derivatives, Managing Risk Off-Balance-Sheet-Risk with Loan Sales and Securitization

December 6 **Paper Due 11:59 pm**

December 8 - 10 **Exam II**

Time Requirements:

As this is an advanced graduate class, I hesitate to quantify how much time it would take you to prepare for this course. I may guess seven hours per week on average, but it can be more or less depending on your prior work or education experience.

Technology Requirements:

You will be navigating McGraw-Hill Connect through Canvas. McGraw-Hill Connect is a web-based assignment and evaluation platform that will help your coursework with engaging content, immediate feedback, and more practice opportunities.

To get to McGraw-Hill Connect, go to Canvas, find the course and on the second column on the left find and click on "McGraw-Hill Connect," and click on "Go to My Connect Section" then follow the steps to log in or register. You will need a Connect access code that comes with the textbook in the bookstore. If you plan to purchase an electronic version of the book, you may also purchase access to Connect. You will be able to take Connect assignments directly from within your Canvas course.

As a student in an online course, you are expected to have reliable internet access almost every day. At a minimum, you will need the following software/hardware to participate in this course:

1. Computer with an updated operating system (e.g. Windows, Mac, Linux)
2. Updated Internet browsers (Apple Safari, Internet Explorer, Google Chrome, Mozilla Firefox)
3. Ability to navigate Canvas Learning Management System
5. Internet connection with speed no less than 6 Mbps.
6. Media player such as VLC Media Player.
7. Adobe Flash Player (free)
8. Adobe Reader or alternative PDF reader (free)

Academic Honesty

You are expected to follow university's policies related to academic honesty stated in <https://www.umsl.edu/services/academic/policy/academic-dishonesty.html> .

Course Grade

Homework 25%

Paper	25%
Exam I	25%
Exam II (Not comprehensive)	25%

Please check out the Help & Resources section for helpful tips.