



Course Descriptor FINA-307 Financial institutions and markets

Proposed Academic Year	2020- 2021	Last Reviewed Academic Year	2019- 2020
Course Code	FINA 307	Course Title	FINANCIAL INSTITUIONS AND MARKETS
Credit hours	3	Level of study	Undergraduate -Year Four
College / Centre	COBA	Department	Accounting and Finance
Co-requisites	FINA201	Pre-requisites	FINA201

1. COURSE OUTLINE

The main objective of this course is to introduce the main features of financial institutions and markets with a focus on its globalization. Further, the focus of this course is to provide the students with a better understanding of financial markets and institutions as well as their operations, instruments, and mechanisms, etc. Upon completing this course, the students should be able to recognize the major roles and operations of financial markets, and to understand the multiple financial instruments that are a major element of these markets and institutions.

Therefore, this course focuses mainly, on the following subjects.

1. Importance of Financial Institutions and Markets
2. Money Markets and Securities Markets – Debt and Equity Securities
3. Derivatives Securities and Commodities Markets
4. The Collective Investments
5. Financial Regulators
6. Financial Institutions and
7. Risk management in Financial Institutions

2. AIMS

The objective of the course is to prepare students for today's dynamic financial environment and to provide them with a comprehensive knowledge about financial institutions and markets, and their main components. Mostly, the emphasis will be on the description of the economic and financial functions of the major financial markets and institutions. Subsequently, the course will focus on specific dimensions of the fixed income, equity as well as derivatives markets. Upon completing this course, the students should be able to develop multidimensional skills in determining the relevance of various Financial Markets and intermediaries to the current world situations. Furthermore, the students would demonstrate a better understanding of the role that financial markets and institutions play in the international finance and business environment.

3. LEARNING OUTCOMES, TEACHING, LEARNING and ASSESSMENT METHODS

Learning Outcomes (Definitive)	Teaching and Learning methods (Indicative)	Assessment (Indicative)
Upon successful completion of this course, students will be able to:		
1. Be able to understand the structure and significance of	<ul style="list-style-type: none"> • Lectures through PPTs • Presentations • Problem Solving 	<ul style="list-style-type: none"> • Oral discussions and feedback • Homework assignments and Formal Examinations



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the Financial Institutions and Markets		<ul style="list-style-type: none"> • Participation and Attendance
2. Be able to know in detail the structure and function of the regulatory system for the financial industry particularly with respect to Securities markets.	<ul style="list-style-type: none"> • Lectures through PPTs • Presentations • Problem Solving 	<ul style="list-style-type: none"> • Oral discussions and feedback • Homework assignments and Formal Examinations • Participation and Attendance
3. Be able to understand clearly the theories that explain various shapes of the yield curve and be able to carry out the mathematics for the pure expectation theory forward rates.	<ul style="list-style-type: none"> • Lectures through PPTs • Presentations • Problem Solving 	<ul style="list-style-type: none"> • Oral discussions and feedback • Homework assignments and Formal Examinations • Participation and Attendance
4. Be able to better understanding the nature of financial statements, management priorities, and business environment of investment banks, mutual funds and other market intermediaries.	<ul style="list-style-type: none"> • Lectures through PPTs • Presentations • Problem Solving 	<ul style="list-style-type: none"> • Oral discussions and feedback • Homework assignments and Formal Examinations • Participation and Attendance

4. ASSESSMENT WEIGHTING

Assessment	Percentage of final mark (%)
Assignments 5 x 2	10
Mid-term Examination - I	25
Mid-term Examination- II	25
Final Examination	40
TOTAL	100%

5. ACHIEVING A PASS

Students will achieve 3 credit hours for this course by passing ALL of the course assessments and achieving a minimum overall score of 65%.

NB *Ensure that ALL learning outcomes are taken into account

6. COURSE CONTENT (Indicative)

Introduction: Financial Institutions and Markets
Overview of Financial Markets



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Financial Market Globalization	
Role of Financial Institutions in Financial Markets.	
Financial Instruments, Markets and Institutions	
Various types of Financial Instruments	
Securities Traded in Financial Markets,	
Financial Market Regulations	
Determination of Interest Rates, Structure of Interest Rates,	
Estimating the Appropriate Yield.	
International Structure of Interest Rates	
Financial Markets- Money Markets	
Valuation and Risk of Money Market Securities	
Globalization of Money Markets.	
Securities Markets – Debt and Equity Securities	
Overview and Growth	
Importance of Primary markets Secondary markets	
Bond Capital markets, Corporate bonds and preferred stock	
The Collective Investments	
Introduction Mutual Funds, Valuation - NAV	
Derivatives Securities	
Types of Derivative Securities	
Securitization, Asset-backed securities	
Collateralized debt obligations	
Financial futures	
Commodities Markets	
Significance	
Trading, Clearing and settlement	
Financial Regulators-	
Importance, Role and Functions	
Financial Institutions – Risk management in financial institutions	



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Risk Management - Banking Institutions	
Total Hours	45 hours
Plus RECOMMENDED INDEPENDENT STUDY HOURS	45 Hours
Total Course Hours	96 Hours

7. RECOMMENDED REFERENCES

Core text/s:

1. Fabozzi, Modigliani and Jones, Foundations of Financial Markets and Institutions, 4th ed., Prentice Hall, 2010.
2. Modern Financial Markets & Institutions, a practical perspective Glen Arnold 2011 Pearson
3. Newspapers: National and International business Newspapers like, Observer, Times of Oman, New York Times or Wall Street Journal (print or on-line) and other business periodicals. In addition internet sources with reference to respective websites of the Financial Institutions and Markets.

Library + online resources:

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