

## Standard Course Outline

FIN 360

Capital Markets

1. General Information:

Units: 3 credits

Prerequisites: None

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2. Catalog Description:

Capital formation, rates, markets and institutions. Flow of fund analysis, intermediation, interest rate structures, risks and liquidity. Management of financial institutions. Letter grade only (A-F).

3. Curriculum Justification:

The course is aligned with the CBA learning goals of critical thinking, business functions, quantitative and technical skills and ethics.

4. Course Objectives:

- **Critical Thinking Learning Goal:** Students will be able to apply the concepts of interest rates, risk and return theory and show how they are related to the improvement of business decisions made by financial institutions in the frame work of capital markets.
- **Business Function Learning Goal:** Students will be able to demonstrate that they understand concepts such as *GNP, Money Supply and Velocity of Money* and their intersection with each other. In doing so, they will be able to further demonstrate their understanding of the Federal Reserve System and how it interacts with financial (depository and nondepository) institutions.
- **Quantitative and Technical Skills Learning Goal:** Students will be able demonstrate their understanding of the fact that when banks give loans, they in fact create money. This creation of money depends on the established reserve requirement ratio set by the Federal Reserve System. They will further demonstrate their understanding of intermediation, interest rates, risk and liquidity in relation to financial institutions and how these variables have impact on the value of financial instruments, institutions, and the financial markets.
- **Ethical Learning Goal:** Students will be able to distinguish between ethical and unethical actions of a financial institution. They will further show their understanding that unethical behavior leads to loss of value of financial instruments, financial institutions and ultimately of financial markets.

5. Outline of Subject Matter:

Topics to be covered in this class typically include:

	Topics
1	The basics of capital markets including financial instruments, institutions, and markets.
2	Financial markets and interest rates including interest rates measurement and behavior
3	The risk and term structure of interest rates, the role of money in capital markets
4	Depository and nondepository institutions and other intermediaries in capital markets.
5	The Federal Reserve System, its purpose and functions in the framework of markets.
6	Monetary theory and introduction to international financial markets in global market place.

6. Methods of Instruction:

Method of instruction generally comprises of a combination of lecture, class discussion of current business articles, discussion of readings, and active student participation.

Recommended Textbooks:

Ritter, Lawrence S., Silber, William L., and Udell, Gregory F. *Principles of Money, Banking and Financial Markets, 12<sup>th</sup> ed.* Boston, MA: Pearson Education Inc., 2010

7. Instructional Policies:

Instructors may specify their own policies with regard to grading, class-room behavior, make-up exam, withdrawal, academic integrity, absences, etc., as long as these policies are consistent with the University policies.

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current [University Catalog](#). It will be assumed that the students will adhere to the tenets of *academic integrity* as articulated in [Dean's Letter on Academic Integrity](#) throughout this course.

**Students with Disabilities:** Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.