



QURTUBA UNIVERSITY

Of Science and Information Technology

D.I Khan, Peshawar Khyber Pakhtunkhwa, Pakistan.

Course Name	Financial Markets and Institutions
Course Code	FIN404
Semester	6th
Credit Hours	03
Total Weeks	16/18
Total Hours	48/54
Total Marks	100
Pre-requisite	None

Course objectives

The objective of this course will be to focus on the behavior of major financial institutions, including banking and non-banking financial institutions, and their role in the intermediation process as suppliers of funds to the money and capital markets. This course examines the form and function of various financial markets and the manner in which financial institutions seek to use these markets to accomplish strategic corporate objectives. In addition, we will examine how financial institutions trade various financial claims within the capital market to tailor their risk-return profile in order to enhance capital value.

Grading Criteria

Distribution	Weight
Quizzes, Assignments, and class participation	10
Mid Term	20
Final Term	70
Total	100

Recommended Book:

- Financial Markets & Institutions by Fredric S. Mishkin & Stanley G. Eakins (Updated edition)
- The economics of money, banking and financial markets" 7th edition by Fredric S. Mishkin

WEEK WISE BREAKDOWN

Week	Description
1	INTRODUCTIONS

	Why study Financial Markets Structure of Financial System Why Study Money and monetary policy?
2	OVERVIEW OF FINANCIAL SYSTEM Function of Financial Markets Structure of Financial Markets Moral Hazards and Adverse Selection Financial Intermediaries Regulation of the Financial System
3 & 4	UNDERSTANDING INTEREST RATES What are interest rates Distinction between real and nominal interest rates The distinction between interest rates and returns Term Structure of Interest Rates
5	MONEY MARKETS Purpose of money markets Participants/Players of money markets Money market instruments
6 & 7	CAPITAL MARKET BOND MARKET & its purpose Different types of bond market securities THE STOCK MARKET Computing the price of common stock How trading & settlement is done in KSE?
8	THE FOREIGN EXCHANGE MARKET Foreign Exchange rates How is foreign exchange traded Factors that affect foreign exchange rates Exchange rates in short run
Two Assignments + Two Test Mid Term Exam	
9	DERIVATIVES MARKET Forward, futures and options
10 & 11	THE FINANCIAL INSTITUTIONS MUTUAL FUNDS CREDIT ASSOCIATIONS & CREDIT UNIONS
12 & 13	OTHER FINANCIAL INSTITUTIONS Insurance companies Venture Capital Companies Pension Funds
14	VARIOUS FINANCIAL CRISES
15 & 16	PRESENTATIONS

Learning Outcomes:

- The role and the benefits of financial intermediaries & can discuss the nature, determination and role of interest rates.

- The types of financial assets available and discuss briefly the principles which guide their selection as part of a portfolio of assets.
- Explain the relationship between types of financial contracts and the characteristics of the business environment, including business size and cultural background.
- Explain how regulation, inflation, and technology influence the development of financial institutions.
- The functioning and history of foreign exchange markets, the significance of the balance of payments and the integration of currency areas.