



QURTUBA UNIVERSITY

Of Science and Information Technology

D.I Khan, Peshawar Khyber Pakhtunkhwa, Pakistan.

Course Name	Financial Markets and Institutions
Course Code	FIN511
Semester	Sixth
Credit Hours	03
Total Weeks	16/18
Total Hours	48/54
Total Marks	100
Pre-requisite	None

Course Objectives

Management of financial institutions covers the nature and function of bank and non-bank financial intermediaries, the role of government in the financial sector, regulation issues, and the emergence of various financial institutions, markets and instruments. In the latter part of the course, discussion takes place on foreign exchange markets, share markets, and long term saving and the role of managed funds. The endeavor of this course is to maintain an interest in the Pakistani financial market, and how financial institutions, both local and global, influence the allocation of resources and the macro-economy. This course also examines institutions, markets and examples from overseas.

Grading Criteria

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

Recommended Books

- 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 & 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	MONEY MARKETS ◇ Purpose of money markets ◇ Participants/Players of money markets ◇ Money market instruments
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
	Two Assignments + Two Test+ Presentation Final Term

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.