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## MOS 3313B Financial Markets and Institutions

### Course Outline: Sections 002 and 004 / Winter 2017

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#### 1. Course Information:

##### 1.1 Class Location and Time:

Section 002:	Thursday	11:30 AM - 2:30 PM	Room: HSB-11
Section 004:	Monday	9:30 AM - 12:30 PM	Room: SSC-2028

##### 1.2 Contact Information:

Instructor: Lucas Thung

Office: SSC 9334

Office Hours: Mondays; 3 pm to 11 pm (By Appointment)

Phone: 519-661-2111 ext 84459

Email: [lthung@uwo.ca](mailto:lthung@uwo.ca)

Website Address: <http://owl.uwo.ca/portal>

DAN Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 519-661-2147 for any specific question regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

#### 2. Calendar Description

##### 2.1 Course Description:

This course examines the form and function of various financial markets and the manner in which financial managers use these markets to accomplish strategic corporate objectives. The objective of this course is to prepare students for successful interaction with financial markets and institutions. Focus will be placed on the behaviour of major financial institutions and their roles in the intermediation process as suppliers of funds as well as the form and function of specific financial markets.

3 lecture hours, 0.5 course

Prerequisite(s): MOS 2310A/B or MOS 3310A/B and enrolment in 3<sup>rd</sup> or 4<sup>th</sup> year of BMOS.

##### 2.2 Senate Regulations

Senate Regulations state, "unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you will be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites."

### 3. Textbook

A. Saunders and M.M. Cornett, Financial Markets and Institutions, **Custom Edition** for Western University, ISBN: 9781259458941

### 4. Course Objectives and Format

#### 4.1 Course objectives

Upon successful completion of this course, students will be able to

- Assess and critique the relevant models of interest rate and asset price determination.
- Demonstrate an understanding of the instruments and structure of various financial markets.
- Critically evaluate the role and function of the financial system in reference to the macro economy.
- Consider the scope and necessity for regulation of the financial system at a national and international level.
- Identify and categorize the determinants of bank failure and financial crises.

#### 4.2 Course format

Lectures and class discussions

### 5. Evaluation

Type	Weight	Date
Class Contribution	5%	On-going
Test #1	15%	Mon, Feb 6 (Sec 004) and Thu, Feb 9 (Sec 002)
Test #2	15%	Mon, Mar 13 (Sec 004) and Thu, Mar 16 (Sec 002)
Group Project	20%	Thu, April 6 (Both Sections)
Final Exam	45%	TBA; April 9 - 30

**Test #1** and **Test #2** will be scheduled for **1.5 hours** and **Final Exam** will be scheduled for **2 hours**. **Both exams** are **closed book examinations**. **Dictionaries** are **NOT** allowed into the examinations.

**Only non-programmable calculators will be allowed into the exams.**

If you are unsure, please ask your instructor to check your calculator.

Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text. Exams will **not** be returned to students but may be reviewed in the instructor's office.

Students are **REQUIRED TO COMPLETE ALL COMPONENTS** of this course.

There are no exceptions to this. Extra assignments to improve grades **will NOT** be allowed.

Exams will be scored using the program Scan Exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

Grades will **not** be adjusted on the basis of need. It is important to monitor your performance in the course. **Remember:** *You* are responsible for your grades in this course.

## 6. Lecture and Examination Schedule

### Tentative Time Table Coverage – *Subject To Change*

Topic	Chapter(s)
Introduction; Determinants of Interest Rates	1, 2
Security Valuation; Federal Reserve System and Monetary Policy	3, 4
Money Markets; Bond Markets	5, 6
Mortgage Markets	7
<b>Test #1 (in-class) - Mon, Feb 6 (Sec 004) and Thu, Feb 9 (Sec 002)</b>	<b>1 to 7</b>
Stock Markets	8
Foreign Exchange Markets	9
Derivative Securities Markets	10
Commercial Banks (Part 1)	11
<b>Test #2 (in-class) - Mon, Mar 13 (Sec 004) and Thu, Mar 16 (Sec 002)</b>	<b>8 to 11</b>
Commercial Banks (Part 2); Regulation	12, 13
Other Lending Institutions; Insurance Companies	14, 15
Securities Firms; Investment Companies	16, 17
Pension Funds; Risks; Financial Crises	18, 19
<b>Final Exam - TBD</b>	<b>All Chapters</b>

## 7. University Policy Regarding Illness

### 7.1 Illness

The University recognizes that a student's ability to meet his/her academic responsibilities may, on occasion, be impaired by medical illness. Illness may be acute (short term), or it may be chronic (long term), or chronic with acute episodes. The University further recognizes that medical situations are deeply personal and respects the need for privacy and confidentiality in these matters. However, in order to ensure fairness and consistency for all students, academic accommodation for work representing 10% or more of the student's overall grade in the course shall be granted only in those cases where there is documentation supplied (see below for process) indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities.

Documentation shall be submitted, as soon as possible, to the appropriate Dean's office (the Office of the Dean of the student's Faculty of registration/home Faculty) together with a request for relief specifying the nature of the accommodation being requested. These documents will be retained in the student's file, and will be held in confidence in accordance with the University's Official Student Record Information Privacy Policy

[http://www.uwo.ca/univsec/pdf/academic\\_policies/general/privacy.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/general/privacy.pdf)

Once the petition and supporting documents have been received and assessed, appropriate academic accommodation shall be determined by the Dean's Office in consultation with the student's instructor(s). Academic accommodation may include extension of deadlines, waiver of attendance requirements for classes/labs/tutorials, arranging Special Exams or Incompletes, re-weighting course requirements, or granting late withdrawals without academic penalty.

Academic accommodation shall be granted only where the documentation indicates that the onset, duration and severity of the illness are such that the student could not reasonably be expected to complete his/her academic responsibilities. (**Note:** it will not be sufficient to provide documentation indicating simply that the student was seen for a medical reason or was ill.)

A form to be completed by off-campus physicians is available at:  
[http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf)

Whenever possible, students who require academic accommodation should provide notification and documentation in advance of due dates, examinations, etc. Students must follow up with their instructors and their Academic Counselling office in a timely manner.

In the case of a final examination in the course, the student must arrange for a Special Examination or Incomplete through their Dean's office, for which you will be required to provide acceptable documentation.

If you feel that you have a medical or personal problem that is interfering with your work, you should contact your instructor and the Faculty Academic Counselling Office as soon as possible. Problems may then be documented and possible arrangements to assist you can be discussed at the time of occurrence rather than on a retroactive basis. In general, retroactive requests for grade revisions on medical or compassionate grounds will not be considered.

## 7.2 Make Up Examinations

The student must write a make-up final exam if the regularly scheduled exam is missed for reasons for which adequate documentation is received by the instructor (this documentation must be supplied by the Academic Counseling office).

## 7.3 Attendance

It is expected that students will attend all classes. Students are encouraged to obtain missed lecture notes from a fellow student.

## 8. University Policy on Cheating and Academic Misconduct

Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses (see section 9.0 below). Looking at the test of another student, allowing another student to view your exam, or obtaining information about a test in advance are all examples of cheating. Students found cheating will receive a zero (0%) on that exam. A number of safeguards will be employed to discourage cheating. For example, examination supervisors (proctors) of the tests may ask students to move to another seat during the exam, cover their paper, avert their eyes from other students' papers, remove baseball caps, etc. This is not meant as a personal affront nor as an accusation of cheating, rather as vigilant attempts at proctoring. A copy of guidelines about how to avoid cheating can be obtained from the office of the Ombudsperson, Room 3135 WSSB, (519) 661-3573.

Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offenses. Students are urged to read the section on Scholastic Offenses in the Academic Calendar. Note that such offenses include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course without the knowledge and approval of the instructor to whom it is submitted, any academic work for which credit has previously been obtained or is being sought in another course in the University or elsewhere. If you are in doubt about whether what you are doing is inappropriate, consult your instructor. A claim that "you didn't know it was wrong" will not be accepted as an excuse.

The penalties for a student guilty of a scholastic offense include refusal of a passing grade in the assignment, refusal of a passing grade in the course, suspension from the University, and expulsion from the University.

## 9. Procedures For Appealing Academic Evaluations

In the first instance, all appeals of a grade must be made to the course instructor (informal consultation). If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Assistant Program Director or Designate of the BMOS program. If the response of the Assistant Director is considered unsatisfactory to the student, he/she may then appeal to the Dean of the Faculty in which the course of program was taken. Only after receiving a final decision from the Dean, may a student appeal to the Senate Review Board Academic. A Guide to Appeals is available from the Ombudsperson's Office.

## 10. Student Responsibilities

Material covered in lectures will not always be the same as material covered in the textbook. These two sources should be viewed as complimentary and not redundant. As such, students who want to do well in this course are **strongly encouraged** to attend lectures on a regular basis. Please note that the instructor will not be providing copies of lectures notes or overheads. Therefore, if you miss a lecture, you should try to obtain this material from another student.

In this class, some students may be unaware that their private discussions are distracting to other people. If you feel that students are distracting your attention from the material, then you should ask them to be quiet. If you feel uncomfortable doing this (or the problem persists), then please see the instructor. In addition, please avoid engaging in private discussions with other students during the lectures. To avoid unnecessary distractions, please arrive to each class on time.

## 11. Support Services

### 11.1 Support Services

The Registrar's office can be accessed for Student Support Services at <http://www.registrar.uwo.ca>. Student Support Services (***including the services provided by the USC listed here***) can be reached at: <http://westernusc.ca/services/>

Student Development Services can be reached at: <http://www.sdc.uwo.ca/>

Students who are in emotional/mental distress should refer to Mental Health@Western [http://www.health.uwo.ca/mental\\_health/](http://www.health.uwo.ca/mental_health/) for a complete list of options about how to obtain help.

## 12. Other Issues

### 12.1 Grade Policy

The DAN Program has a grade policy which states that for courses in the 3000-4000 range, the class average must fall between 70% and 77% for all sections of a course taught by the same instructor. In very exceptional circumstances only, class averages outside this range may be approved by the Undergraduate Chair or Chair. Class averages are not grounds for appeal.

### 12.2 Short Absences.

If you miss a class due to minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or exam. Cover any readings and arrange to borrow the missed lectures notes from a classmate.

### 12.3 Extended Absences.

If you are absent more than approximately two weeks or if you get too far behind to catch up, you should consider reducing your workload by dropping one or more courses. The Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed about your difficulties.

### 12.4 Academic Concerns.

If you are in academic difficulty, it is strongly recommended that you see your academic counsellor.

### 12.5 Important Dates:

January 5:	Classes resume.
January 13:	Last day to add a second term half course.
February 20:	Family Day. All offices closed.
February 20 – 24:	Reading Week.
March 7:	Last day to drop a second term half course without penalty.
April 7:	Classes end.
April 8:	Study day.
April 9 – 30:	Examination Period.
April 14:	Good Friday. All offices closed.
April 30:	Second term ends. Last day to apply for Spring Graduation.

## 13. Other Information

- Bring student identification to exams.
- Nothing is to be on/at one's desk during an exam except a non-programmable calculator, a pencil, an eraser, and the individual's student card
- Do not wear baseball caps to exams
- Do not bring music players, cell phones, beepers, or other electronic devices to exams

For The University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at: [http://www.uwo.ca/univsec/academic\\_policies/index.html](http://www.uwo.ca/univsec/academic_policies/index.html)

## 14. Email Policies

The following policies apply to all emails between students and the instructor. Please respect the fact that the instructor receives hundreds of emails from students and must deal with those emails in a fair and organized manner. Non-acceptable emails will receive a reply saying only "Please see Email Policies on the course outline".

### 14.1 UWO.CA Email Addresses Only

For privacy reasons, students must use their Western email accounts to contact the instructor. The instructor will not respond to emails from non-uwo.ca addresses (i.e. Gmail, Yahoo, Rogers, etc).

### 14.2 Subject Line **Must** Include Course and Section Number

The subject line of emails **must** contain the course and section number in which the student is enrolled. The instructor teaches different courses and sections and cannot properly respond to questions if he does not know which course or section you are enrolled in. The instructor will respond (i.e. either via email or in class) to students' emails within two (2) business days

### 14.3 Acceptable Emails

- questions about the course content or materials
- asking to set up an appointment to ask questions or review an exam
- notification of illness or other special circumstances
- providing constructive comments or feedback about the course

### 14.4 Non-Acceptable Emails

- questions that may be answered on OWL or on this course outline
- asking when grades will be posted
- asking what grade a student received
- asking where or when an exam is scheduled or the material covered on an exam
- requests for grade increases, extra assignments, or reweighting of course components

## 15. FREQUENTLY ASKED QUESTIONS

Question	Answer
How can I succeed in this course?	Do all the assigned readings, attend class, and focus on understanding the key concepts.
I missed the midterm or final exam because I was sick or there was a death in my family.	See the relevant sections on this course outline.
I have a lot of midterms or projects at once. Can I write the make-up exam?	Make-up exams for exam conflicts are not available unless you have <b>three (3) exams</b> within a 24-hour period.
When will the exam grades be posted?	Midterm grades are posted on OWL when they become available. Final exam grades and final course grades are <b>not</b> posted on OWL.
Can I come and see my exam?	You can review your exam during office hours or at any other mutually convenient time.
Can I use a different textbook?	You can use a different textbook, but it is your responsibility to ensure that you are learning all of the assigned material. Be aware that different textbooks may be organized differently and may cover different material.
There is so much material. How can I possibly remember everything?	You do not need to remember everything in the book. You need to understand the fundamental concepts and how to apply them.
This mark is going to prevent me from getting accepted at Ivey/graduate school/etc.	Grades are given based on actual performance, as set out on the course outline. In order to be fair to all the students in the course, grade adjustments, extra assignments, and the reweighting of course components are not available.
I need a certain mark to get or maintain a scholarship, etc.	
I tried really hard but I still got a poor mark.	
This is the lowest mark I have ever received.	