

## Winter 2024 Course Syllabus

### **MOS 3313B Section – 003** **Financial Markets & Institutions** In-Person

Instructor: F. Javier Martinez Hernandez  
Office: SSC 4048

Office Hours: Friday (F) from 2:00 pm to 4:00 pm in SSC4048. Office hours will be in-person, unless otherwise stated in OWL. Any additional appointment should be requested through e-mail (may be conducted via Zoom).

Phone: 661-2111 x85268

Email: [fmarti23@uwo.ca](mailto:fmarti23@uwo.ca)

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#### **1. Course Information:**

##### **1.1 Class Location and Time:**

In-Person. SSC 3028, Thursday (TH) 1:30 – 4:30 pm.

##### **1.2 Course Description:**

The objective of this course is to prepare students for successful interaction with financial markets and institutions. Focus will be placed on the behavior of major financial institutions and their role in the intermediation process as suppliers of funds as well as the form and function of specific financial markets.

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

##### **1.3 Accessibility:**

DAN Department of Management & 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.

Contact Academic Support & Engagement at <http://academicsupport.uwo.ca/> for information about Western's Accessible Education.

More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

##### **1.4 Land Acknowledgement:**

We acknowledge that Western University is located on the traditional lands of the Anishinaabek, Haudenosaunee, Lūnaapéewak and Attawandaron peoples, on lands connected with the London Township and Sombra Treaties of 1796 and the Dish with One Spoon Covenant Wampum.

With this, we respect the longstanding relationships that Indigenous Nations have to this land, as they are the original caretakers. We acknowledge historical and ongoing injustices that Indigenous Peoples (e.g. First Nations, Métis and Inuit) endure in Canada, and we accept responsibility as a

public institution to contribute toward revealing and correcting miseducation as well as renewing respectful relationships with Indigenous communities through our teaching, research and community service.

<https://indigenous.uwo.ca/initiatives/docs/indigenous-land-acknowledgment.pdf>

### 1.5 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.”

This regulation is in regard to the PREREQUISITE COURSES required.

**Students not in BMOS are permitted to enroll in up to 1.0 MOS courses**, per the Academic Timetable. The requirement that states you must be in BMOS is lifted during registration on the priority lift dates as noted in the [Timetable](#).

## 2. Course Materials

Madura, Financial Markets and Institutions, 13th Edition, Cengage, ISBN 9780357130797. (Please feel free to consider the e-text alternative, ISBN 9780357695012)

The class content and all examinations will be based on instructor notes and the textbook. Thus, it is required that students read the relevant sections.

## 3. Course Objectives and Format

The DAN Department of Management and Organizational Studies as a whole draws upon an evidence-based management approach. Evidence-based management is the systematic process of gathering evidence from multiple sources, critically appraising the evidence, and using that evidence in making and evaluating management decisions to improve organizational performance.

### 3.1 Course objectives

The objective of this course is to prepare students for successful interaction with financial markets and institutions.

### 3.2 Course format

The course is scheduled as a series of 3-hour in-person lectures. We will begin on time and have a 5 to 10-minute break after 1 hour and 20 minutes of class; then, we will resume class until time is over. The class will be better and more engaging if more students participate and discuss the topics. Please feel free to ask questions and emphasize any relevant remarks during class.

It is also imperative to be respectful of your classmates and instructor. If you must leave class early, please sit on the back and leave either during the break or during class in quiet manner.

## 4. Learning Outcomes

Upon completing this course, the student should 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.

## 5. Evaluation

The overall course grade will be calculated as listed below:

Class Participation	5%
Assignments (5)	15%
Midterm Test	35%
Final Exam	45%

This course may have other exam guidelines and expectations outlined in documents on the course website. Students are expected to understand and adhere to these guidelines to avoid grade penalties. Students are responsible for all material covered during lectures or tutorials, as well as any assigned readings from the text or elsewhere on the course website.

**Only non-programmable calculators will be allowed into the exams.** If you are unsure, please ask your Instructor.

**Electronic devices of any kind (including cell phones, smart watches and calculators) are NOT permitted at exams.**

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 by contacting your instructor.

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.

**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.**

The DAN Department has a grade policy which states that for courses in the 2000 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.

### Assignments (15%)

Five problem sets will be given and graded from 0 to 10. The assignment due dates will be posted in OWL by the end of the first week of class. Any potential change to due dates will be promptly posted in OWL. Late assignments will have three points deducted per day. You are encouraged to work on them together, but every student should hand in their work and state the names of any students with whom you collaborated. These assignments are meant for you to study and practice what we will see in class and gain both intuition and mathematical maturity for the examinations.

### Midterm Examination (35%) - **Tentative date: February 15<sup>th</sup> during class time.**

A midterm exam may be comprised of calculations, short answers, true/false, essay questions, or a combination thereof on material covered up to and including the last class prior to the exam unless otherwise stated in OWL. The Midterm examination is a closed-book test. Calculators are allowed. All Department and University policies regarding missed exams and necessary documentation apply. Please see attached Policy Regarding Makeup Tests and Final Examinations. **Dictionaries are NOT allowed into the examinations.**

Since we have an in-class exam, the duration will be 2 hours to allow sufficient time to collect and count all supplies at the end. Please arrive on time to guarantee that you have enough time for your completing your examination.

**Final Examination (45%) - Tentative date: tbd by the registrar.**

The final examination will occur during the regular final exam period and will be scheduled by the registrar. The final exam is expected to be scheduled for 3 hours. Question formats will be similar to the midterm exam. This exam will assess students' ability to meet the learning outcomes of the course and will be based on all concepts learned during the course, with emphasis on material covered after the midterm examination. The Final examination is a closed-book test. Calculators are allowed. All Department and University policies regarding missed exams and necessary documentation apply. Please see attached Policy Regarding Makeup Tests and Final Examinations. It is in your best interest to work hard from the beginning. **Dictionaries are NOT allowed into the examinations.**

**Important examination policies:**

During exams, students are forbidden to communicate with any person other than an examination proctor or the instructor. Students are forbidden from using any books, notes, study guides, diagrams, communication equipment such as a cell phone, computer programs or software, online resources or websites, or other aids unless authorized by the instructor; such authorization must be stated explicitly during the examination.

**Important additional policies:**

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

Missed midterm exam without approved, documented official accommodation will be given a mark of zero. If there has been an approved, documented official accommodation, the weight of the missed midterm will be transferred to the final exam. Please see details in section 13.4 below.

This course may have other exam guidelines and expectations outlined in a document on the course website. Students are expected to understand and adhere to these guidelines in order to avoid grade penalties.

## **6. Lecture and Examination Schedule**

**Topics:**

1. Introduction to Financial Markets and Institutions (Chapter 1)
2. Determinants & Structure of Interest Rates (Chapters 2 and 3)
3. Central Banks & Monetary Policy (Chapters 4 and 5)
4. Money Markets & Capital Markets (Chapters 6 and 7)
5. Debt Markets (Chapters 8 and 9)
6. Equity Markets (Chapters 10, 11 and 12)
7. Foreign Exchange Derivatives Markets; Economics of Financial Institutions (Chapters 16 and 17)
8. Deposit Taking Institutions (Chapters 17, 19 and 20)
9. Regulation of Financial Institutions (Chapter 18)

10. Non-Bank Financial Institutions (Chapter 22 to 26, with Chapter 25-Insurance potentially assigned as independent reading).

**Relevant dates:**

Classes begin: January 8, 2024

Family Day: February 19, 2024

Reading Week: February 19 – 23, 2024

Classes end: April 4, 2024

Exam period: April 13 – 30, 2024

**Communication:**

- Students should check the course OWL site every 24-48 hours
- A weekly update will be provided on OWL announcements
- Emails will be monitored daily; students will receive a response in 24 – 48 hours
- Students should post all course-related content on the discussion forum so that everyone can access answers to questions
- The discussion forums will be monitored daily by instructors or teaching assistants

**Tips on How to be Successful in this Class:**

- Students in this class should understand the level of autonomy and self-discipline required to be successful.
- Make it a daily habit to log onto OWL to ensure you have seen everything posted to help you succeed in this class.
- Connect with others. Try forming a study group and meet on a weekly basis for study and peer support.
- Do not be afraid to ask questions. If you have questions or are struggling with a topic, check the online discussion boards or contact your instructor(s) and or teaching assistant(s).

The professor reserves the right to change or update this outline, and any other course related materials. Students will be informed in a timely manner through the course website and/or announcements.

Material covered during lectures or tutorials, or in recorded videos, will not always be the same as material covered in the textbook. These two sources should be viewed as complimentary and not redundant.

## **7. Student Responsibilities**

Students should familiarize themselves with Western University Senate Regulations, please see: [http://www.uwo.ca/univsec/academic\\_policies/index.html](http://www.uwo.ca/univsec/academic_policies/index.html).

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.

### **7.1 Respect**

Please act respectfully towards the classroom, the instructor and your fellow students. Acting respectfully means arriving on time, turning off phones, avoiding private discussions during lectures, refraining from viewing non-course material on your laptops, and cleaning up after yourself. Acting respectfully provides a better learning experience for everyone.

Private in-class discussions are distracting to students and the instructor. If other students are distracting your attention from the material, you should ask them to be quiet. If you feel uncomfortable doing this (or the problem persists), please see your instructor.

Late arrivals are also distracting. Please try to arrive on time for classes.

## **7.2 No Recording of Classes**

Students are not permitted to record any portion of a class, audio or video, without the prior written permission of the instructor.

## **7.3 Copyright Notice**

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. You may take notes and make copies of course materials for your own educational use. You may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without the written consent of your instructor.

## **8. Exam Policies**

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

## **9. E-mail Policies**

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

### **9.1 UWO.CA Email Addresses Only**

For privacy reasons, students must use their Western email accounts to contact their Instructor. The Instructor will not respond to emails from non-uwo.ca addresses (e.g. hotmail.com, gmail.com, etc.).

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

The subject line of emails must contain the name or number of the course, and the section number in which the student is enrolled. The Instructor teaches different courses and sections and cannot properly respond to questions if they do not know which course or section you are enrolled in.

### **9.3 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

## 9.4 Unacceptable 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

## 10. Attendance

IN-PERSON: It is expected that students will attend all classes. The instructor does not provide access to lecture notes. Students are encouraged to obtain missed lecture notes from a fellow student.

### 10.1 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.

### 10.2 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.

## 11. Grade Fairness

Fairness requires that all students be treated equally and be evaluated using the criteria set out in this course outline. The evaluation criteria are based on actual achievement and not on how hard a student has tried.

Claims by students of an excellent academic history, good attendance record, need to obtain or maintain a scholarship, desire to be admitted to Ivey or graduate school, or other personal issues, cannot be used to justify a higher grade in the course or a reweighting of course components. There is no extra work or assignments available for extra credit or to “make up” for a course component that was missed or performed poorly.

**You, the student, are responsible for the grades earned.**

## 12. Posting of Grades

Midterm exam grades will be posted on OWL once the grades are available. Final exam grades and final course grades are not posted on OWL and are available once they have been posted by the Registrar under “Academic Summary” at the Student Centre website.

## 13. University Policy Regarding Illness, Absence and Accommodation

### 13.1 Illness

Students will need to provide a Student Medical Certificate if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty Academic Counselling office to obtain more information about the relevant documentation.

For privacy reasons, students should also note that individual instructors should not receive documentation directly from a student, whether in support of an application for consideration on medical grounds, or for other reasons. All documentation required for absences must be submitted to the Academic Counselling office of a student's Home Faculty.

For details on the Policy on Accommodation for Medical Illness, go to:  
[https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/academic\\_consideration.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/academic_consideration.pdf)

Students can download the Student Medical Certificate (SMC) here:  
[https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf)

### 13.2 Accessible Education

Students with disabilities work with Accessible Education (formerly SSD) which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here:

[https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/Academic Accommodation disabilities.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Accommodation_disabilities.pdf)

Students needing access to Accessible Education should register here:  
[http://academicsupport.uwo.ca/accessible\\_education/index.html](http://academicsupport.uwo.ca/accessible_education/index.html)

### 13.3 Religious Accommodation

Students should consult the University's list of recognized religious holidays, and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

### 13.4 Make Up Examinations

There is no make-up midterm exam in this course. If a student misses the regularly scheduled exam for any reason, and for which adequate documentation is received by the instructor (this documentation must be supplied by the Academic Counseling office), then the student will receive a modified and lengthened final exam which will be re-weighted to 80% of the course grade weight. The modified exam will be scheduled for four (4) hours and may have a similar format as the regular final exam.

If a student misses the regularly scheduled final exam for any reason, and for which adequate documentation is received by the instructor (this documentation must be supplied by the Academic Counseling office), then the student must write a make-up final exam. The date and time of the final exam make-up will be set by the instructor, in accordance with the department and the University Special Examination dates as outlined in the Academic Handbook:

[https://www.uwo.ca/univsec/pdf/academic\\_policies/exam/definitions.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/exam/definitions.pdf). The tentative date for the final exam make-up will be: May 10, 2024, and this date will be confirmed by the instructor.

The format of the final exam make-up may be different than the format of the regularly scheduled exam, but will contain the same breadth and depth of coverage.

If a student is unable to meet the scheduled make-up, then the student is responsible for obtaining new accommodations from Academic Counselling. If approved by the Dean's office such student may be given an opportunity to write a deferred make-up final exam during the regular final exam period the next time the course is offered in-person. This is expected to be in December 2024.

## 14. University Policy on Cheating and Academic Misconduct



Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site: [http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/scholastic\\_discipline\\_undergrad.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf)

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 use of AI and translation tools in written work beyond a dictionary is not permitted unless permission is granted by the instructor for specific circumstances. Any work submitted must be the work of the student in its entirety unless otherwise disclosed. When used, any such AI or translation tool should be used ethically and responsibly, and students must cite or credit the tools used in line with the expectation to use AI as a tool to learn, not only to produce content.

Within this course, students are permitted to use AI tools exclusively for information gathering and preliminary research purposes. These tools are intended to enhance the learning experience by providing access to diverse information sources. However, it is essential that students critically evaluate the obtained information, exercise independent thinking, and engage in original research to synthesize and develop their own ideas, arguments and perspectives. The use of AI tools can serve as a starting point for exploring a topic, with students expected to uphold academic integrity by appropriately attributing all sources of information and avoiding plagiarism. Essays, written assignments and/or lab reports should reflect the student's own thoughts and independent written work. Students should also generate their own figures (e.g., graphs, diagrams) rather than using AI generated ones. By adhering to these guidelines, students contribute to a responsible and effective learning environment that promotes critical thinking, independent inquiry and all them to produce original written contributions. The same principles also apply to the use of translation software to support the writing the essays and other written assessments.

A copy of guidelines about how to avoid cheating can be obtained from the Office of the Ombudsperson, Room 3135 WSSB, (519) 661-3573, [ombuds@uwo.ca](mailto:ombuds@uwo.ca).

Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses. 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.

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.

## **15. Procedures For Appealing Academic Evaluations**

1. In the first instance, all appeals of a grade must be made to the course instructor (informal consultation).

2. If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Undergraduate Chair of the Department of Management and Organizational Studies.
3. If the response of the Undergraduate Chair is considered unsatisfactory to the student, they may then appeal to the Dean of the Faculty in which the course of program was taken.
4. 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 Office of the Ombudsperson.

## **16. Support Services**

### **16.1 Support Services**

The Registrar's office provides you with information on services, courses, student finances, resources, latest news, as well as Student Central's hours of operation 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/>

Academic Support & Engagement can be reached at: <http://academicsupport.uwo.ca>

Students who are in emotional/mental distress should refer to Health and Wellness: <https://www.uwo.ca/health/> for a complete list of options about how to obtain help.

### **16.2 Academic Concerns.**

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