



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

FN 211 Financial Markets (Section 046401) Semester 1/2013 (August 13 – November 30, 2013)

| | |
|---------------------------|---|
| Number of credits: | 3 credits |
| Lecture Time: | Saturdays, 09.00 – 12.00 hrs. |
| Lecture Venue: | 304, 3 rd floor, Faculty of Economics Thammasat University, Tha Prachan campus |
| Instructor: | Win Phromphaet, CFA Email: win6350@yahoo.com Tell : 081-556-2700 Office Hours: by appointment |

Course Description:

The study of money and the role of money in the economic system; the money market, monetary instruments, interest rate, financial management in the private and public sectors as it relates to the money market, commercial banks, financial institutions, the central bank and monetary policy.

Prerequisite: second-year status (have taken at least 30 credits)

Recommended Textbooks:

1. Mishkin and Eakins (2012), **Financial Markets and Institutions**, 7th Edition, Pearson Education.
2. McMillan and Pinto (2011), **Investments: Principles of Portfolio and Equity Analysis**, 1st Edition, Wiley. Chapter 1, 2, 3, and 10.

Equipment: Financial Calculator

Attendance Policy:

Attendance in every class is mandatory. Absence without a satisfactory cause or a proper medical proof will adversely affect final grade.

Grading:

Course grades will be determined by your performance on class participation, hand-in homework, Case Studies and two exams:

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|------------------------------------|-------------|
| Class Attendance and Participation | 15% |
| Case Studies | 20% |
| Midterm Exam | 25% |
| Final Exam | <u>40%</u> |
| Total | <u>100%</u> |

Grading Criteria

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| A | = 4.0 (90 – 100) | Excellent |
| B+ | = 3.5 (85 – 89) | Very Good |
| B | = 3.0 (80 – 84) | Good |
| C+ | = 2.5 (70 – 79) | Fair |
| C | = 2.0 (60 – 69) | Adequate |
| D+ | = 1.5 (55 – 59) | Poor |
| D | = 1.0 (50 – 54) | Very Poor |
| F | = 0.0 (<49) | Fail |

Topics & Schedule

| Class | Date | Topics | Textbook Reading |
|-------|-----------------|---|------------------|
| 1 | 17/08/13 | Introduction | Mishkin Ch 1+2 |
| 2 | 24/08/13 | Interest Rates and their Determinants | Mishkin Ch 4 |
| 3 | 31/08/13 | Interest Rates and their Roles in Valuation | Mishkin Ch 3 |
| 4 | 07/09/13 | Interest Rates and Term Structure | Mishkin Ch 5 |
| 5 | 14/09/13 | Efficiency of Financial Markets | Mishkin Ch 6 |
| 6 | 21/09/13 | <i>Computer Lab Session</i> | |
| 7 | 28/09/13 | Review before mid-term | |
| 8 | 05/10/13 | Mid-term Examination (9.30 – 11.00) | |
| 9 | 12/10/13 | Financial Institutions and Financial Crises | Mishkin Ch 7+8 |
| 10 | 19/10/13 | Money Markets | Mishkin Ch 11 |

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| 11 | 26/10/13 | Bond Markets | Mishkin Ch 12 |
| 12 | 02/11/13 | Stock Markets | Mishkin Ch 13 |
| 13 | 09/11/13 | Insurance Companies and Pension Funds | Mishkin Ch 21 |
| 14 | 16/11/13 | Commercial Banks | Mishkin Ch 17 |
| 15 | 23/11/13 | Central Banks and the Conduct of Monetary Policy | Mishkin Ch 9+10 |
| 16 | 30/11/13 | Case Study | |
| | 07/12/13 | Final Examination (9.00 – 12.00) | |

Important Dates

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|----------------------------|---|
| Class begins | August 13, 2013 |
| Adding and Dropping Course | August 13 – 27, 2013 |
| Midterm Exam | October 5, 2013; 9.30 – 11.00 hrs. |
| Course Withdrawal with “W” | October 16 – 21, 2013 |
| Last day of classes | November 30, 2013 |
| Final Exam | December 7, 2013 ; 9.00 – 12.00 hrs. |
