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| **Title** | | | | **International Financial Markets and Banking** | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| **Lecturer** | | | | **Juliane Thamm** | | | | | | | | | | Tutor | | | Juliane Thamm | | | | | | | | | | | | | |
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|  | | Code | | | AG912 | | | Semester | | | 1 | | Weeks | | | | | 1 – 11 | | | Credits | | | | 20 | | |  | | |
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|  | **Assessment** | | | | |  | Examination | | | | 70% | |  | | Coursework | | | | | 30% | | |  | Test | |  | | |  | |
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|  | Finance | | Compulsory | | | | | |  | Int. Banking & Fin. | | Compulsory | | |  | Investment & Fin. | | | Compulsory | | |  | Int. Accounting & Fin. | | | | Compulsory | | |  |
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## CLASS AIMS

The aim of the class is to provide students with an understanding of the financial system and the roles and functions of financial markets and institutions. A particular emphasis is placed on understanding the roles of intermediaries such as banks and investment firms. Students will develop an understanding of the various characteristics and roles of fixed income, equity, and foreign exchange markets. While some attention will be given to the UK financial markets, the global nature of financial markets will be widely discussed.This class aims to equip students with an awareness and understanding of financial markets and institutions in the context of the global economy. Particular emphasis will be placed on the role and contribution of the banking sector. This class covers the reasons for, and nature of, financial markets and institutions with a particular focus on banking, the global nature of these markets, and their regulation.

## LEARNING OUTCOMES

The class provides opportunities for students to develop and demonstrate knowledge, understanding and skills in the following areas:

**i) Knowledge Based Outcomes:**

On completing this course students will be able to:

* differentiate the main functions of financial markets and institutions;
* distinguish the roles of retail, wholesale and investment banks;
* separate the roles of various forms of non-bank financial institutions;
* outline the workings of equity capital markets and fixed income markets;
* discuss the working of currency and derivative markets;
* describe the particular risk associated in the FX market
* explain the role of banks in the foreign exchange markets;
* examine the nature of financial regulation and the reasons for it; and
* distinguish the key differences in financial systems across the major economies.

**ii) Skills Outcomes:**

On completion of this class students should be able to demonstrate that they can:

* reconcile theory with what is observed in practice and understand the rationale for the development of a diverse set of institutions
* analyse the factors that facilitate the growth of institutions;
* investigate how institutions evolve as circumstances change
* rate the problems associated with transactions in an international environment
* evaluate academic literature
* research an issue in depth and communicate the results in a structured and concise manner

**TEACHING AND LEARNING**

There are 43 contact hours and the teaching will be on the basis of lectures and workshops. Students will have to read the required research papers and selected textbook sections for the class. Further optional additional references that will be provided that allow students to explore areas of their interest in more detail. The weekly lectures will explore particular aspects of the reading and attempt to help students to put material in context, but are not a substitute for the reading. During lectures students will be asked to be active, completing exercises, and discussing issues with their peers. Questions will be assigned prior to the weekly workshops. These will be announced in the previous lecture. Students will be expected to do their own research and thinking prior to the workshop and to come prepared to discuss the issues with their peers and the tutor. These discussions will usually take place in groups of 4 or 5 students. Attendance at workshops is compulsory. Additional activities via the class myplace page will complement the core lecture topics.

**ASSESSMENT**

A class test will account for 30 per cent and a final exam will account for 70 per cent of the assessment. The class test will take place during week 7 of term. The exam will take place during the semester 1 exam diet. Completion of both the class test and the exam is required to pass the class. Any reassessment will be via a resit exam in the summer exam diet.

**READING**

Please follow the advice given in lecture one about required reading for this class, all required reading can also be accessed via the reading list feature on the class myplace page.

The following books are available via the library:

Peter Howells and Keith Bain, ‘Financial Markets and Institutions’, 5th Ed., Pearson Education 2007,

Glen Arnold, ‘Modern Financial Markets and Institutions’, 2012, Pearson Education

Stephen Valdez and Philip Molyneux, ‘An Introduction to Global Financial Markets’, 7th ed., 2013, Palgrave Macmillan

**Web Resources**

Additional reading (journal articles, websites) and recommendations for complementary sources will be provided online via myplace, where the class has its own pages. This material forms an important part of the class and students should actively engage with the class myplace content.

## LECTURE PROGRAMME

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| **Session** | **Lecture Title/Subject/Content** |
| **1** | Financial markets and financial intermediaries |
| **2** | Retail, wholesale and investment banking |
| **3** | Non-bank financial institutions |
| **4** | Equity capital markets |
| **5** | Debt and money markets |
| **6** | Foreign exchange and derivative markets |
| **7** | Market efficiency |
| **8** | Financial Regulation |
| **9** | International Monetary System, Central Banks and Balance of Payments |
| **10** | International comparisons of financial systems and Islamic finance |
| **11** | Current Issues in financial markets, regulation, and banking |