

**MOS 3313b: Financial Markets and Institutions  
Winter 2015 – Sections 001 and 002**

Professor Daniel Brou  
Office: SSC 4425  
Phone: (519) 661-2111 x84815

Email: [dbrou@uwo.ca](mailto:dbrou@uwo.ca)  
Office Hours: Tu 1:30pm-4:30pm  
Course Website: <http://owl.uwo.ca>

**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 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. **3 lecture hours, 0.5 course.**

**Prerequisites:** MOS 2310A/B or MOS 3310A/B and enrolment in 3<sup>rd</sup> or 4<sup>th</sup> year of BMOS.

You are responsible for ensuring that you have successfully completed all course prerequisites. 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 cannot be appealed. You will receive no adjustment to your fees in the event that you are removed from the course for failing to have the necessary prerequisites.

**Text:** [Note: this is a custom text available from the UWO Bookstore, make sure you obtain the correct one.]  
A. Saunders and M.M. Cornett, *Financial Markets and institutions, Custom Edition for the University of Western Ontario*, ISBN: 9781259458941

**Topics Covered:** (Note: this list is tentative and subject to change. Any changes will be announced in class.)

Week	Topic	Chapters
1	Introduction; Determinants of Interest Rates	1,2
2	Valuation; The Role of Central Banks	3,4
3	Fixed Income Markets	5,6,7
4	Fixed Income Markets	5,6,7
5	Stock Markets	8
6	Foreign Exchange Markets	9
7	Derivative Markets	10
8	Economics of Financial Institutions	11
9	Commercial Banks; Regulation	12,13
10	Other Financial Institutions	14,15,16,17
11	Off-Balance Sheet Activity; Shadow Banking System	18,19
12	Financial Crises	notes
13	Review	

**CLASS POLICY**

**Evaluation:**

Midterm Examination	40%	(Saturday, February 28, 10am)
Final Examination	40%	(date set by registrar)
Assignments	20%	

Students are required to complete all components of this course. Grades are given based on actual performance. In order to be fair to all students, grade adjustments, extra assignments, and the reweighting of course components on an individual basis will not be possible.

### **Exams**

Each exam will be scheduled for **2 hours** and will be a closed book examination. Dictionaries and translators are **NOT** allowed into the examinations. Only **non-programmable calculators** will be allowed into the exams.

Make-up exams will only be scheduled once the student has provided adequate documentation to Academic Counselling and the proper forms have been completed (see below for process).

No special accommodations will be made for flight arrangements. You are encouraged to book your flights **AFTER** the final exam period.

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.

### **Assignments**

There will be a total of six (6) assignments throughout the semester. All six assignments will count towards your final grade. Late assignments/quizzes will not be accepted. You are responsible for following the instructions on how and by when to submit each assignment. Failure to submit by the due date and time will result in a grade of zero.

Students must write assignments in their own words. Whenever students take an idea or passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major scholastic offense. 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 website: <http://www.uwo.ca/univsec/handbook/appeals/scholoff.pdf>.

### **Email**

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

Acceptable emails include: questions about the course content or materials; setting 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.

Unacceptable emails include: questions that may be answered on the course website 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; and, requests for material missed due to absence. Unacceptable emails will not receive a response.

### **Attendance**

It is recommended that students attend class regularly. Material covered in lectures will not always be the same as material covered in the textbook and should be viewed as complementary. If you miss a lecture, you are responsible for obtaining any material or announcements you missed.

## **Office Hours**

Office Hours are on a first-come-first-served basis. You do not need to make an appointment to come and see the professor during office hours. If you would like to see the professor outside of office hours, please set up an appointment beforehand by email.

## **DEPARTMENT POLICY**

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 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

## **Grade Distribution**

DAN Management and Organizational Studies has a grade policy which states that for courses in the 3000 range, the class average must fall between 70% and 75% 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 Assistant Director or the Director. Class averages are not grounds for appeals.

## **UNIVERSITY POLICY**

### **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/handbook/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://counselling.ssc.uwo.ca/forms/medicalNote.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 professors 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.

### **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 251 University Community Centre, (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.

### **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.

### **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.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help."
- For The University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at: <http://www.uwo.ca/univsec/handbook/>