

STATE UNIVERSITY OF NEW YORK  
COLLEGE OF TECHNOLOGY  
CANTON, NEW YORK



**MASTER SYLLABUS**

**ECON330/FSMA 330 – FINANCIAL MARKETS AND INSTITUTIONS**

**CIP Code: 52.0803**

*For assistance determining CIP Code, please refer to this webpage*

*<https://nces.ed.gov/ipeds/cipcode/browse.aspx?v=55>*

*or reach out to Sarah Todd at [todds@canton.edu](mailto:todds@canton.edu)*

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**SCHOOL OF BUSINESS AND LIBERAL ARTS  
BUSINESS DEPARTMENT**

**FALL 2024**

A. **TITLE:** Financial Markets and Institutions

B. **COURSE NUMBER:** ECON 330/FSMA 330

C. **CREDIT HOURS:** Three lecture hours per week for 15 weeks (3 credits)

D. **WRITING INTENSIVE COURSE:** No

E. **GER CATEGORY:** None

F. **SEMESTER(S) OFFERED:** Fall

G. **COURSE DESCRIPTION:**

This course provides an understanding of financial markets and financial institutions that operate within the financial markets. It introduces the financial markets where flow of funds occur through financial markets instruments, such as bonds, money markets, mortgage markets, foreign exchanges, stocks and derivatives (futures, forward, options, and swaps). It focuses on financial institutions, such as the Federal Reserve, commercial banks, thrifts, insurance companies, investment banks, finance companies, mutual funds, and pension funds. In addition, it provides a comprehensive introduction to risk management within the framework of financial services industry.

H. **PRE-REQUISITES/CO-COURSES:**

a. Pre-requisite (s) - Principles of Macroeconomics (ECON 101) or Principles of Microeconomics (ECON 103) and a minimum 45 credit hours, or permission of instructor

b. Co-requisite (s): None

c. Pre- or co-requisite (s): None

I. **STUDENT LEARNING OUTCOMES:**

<b><u>Course Student Learning Outcome [SLO]</u></b>	<b><u>PSLO</u></b>	<b><u>GER</u></b>	<b><u>ISLO</u></b>
a. Explain the similarities and differences among financial institutions, from commercial banks to diversified financial services firms in the sources and the uses of funds	1	None	2 [CA]
b. Analyze the financial statements of financial institutions and evaluate their asset, liability, and capital management	1	None	2 [CA]
c. Analyze and interpret the strong trend toward consolidation, product and geographical expansion strategies of financial institutions in domestic and international markets	3	None	4 [GL]

d. Analyze and contrast the structure and operations of central banks with the FED	2	None	2 [IA]
e. Compare the tools used by central banks and the FED to influence monetary policies	2	None	2 [CA]

KEY	<b><u>Institutional Student Learning Outcomes [ISLO 1 – 5]</u></b>
ISLO #	ISLO & Subsets
1	<b>Communication Skills</b> Oral [O], Written [W]
2	<b>Critical Thinking</b> <i>Critical Analysis [CA], Inquiry &amp; Analysis [IA], Problem Solving [PS]</i>
3	<b>Foundational Skills</b> <i>Information Management [IM], Quantitative Lit./Reasoning [QTR]</i>
4	<b>Social Responsibility</b> <i>Ethical Reasoning [ER], Global Learning [GL], Intercultural Knowledge [IK], Teamwork [T]</i>
5	<b>Industry, Professional, Discipline Specific Knowledge and Skills</b>

**J. APPLIED LEARNING COMPONENT:** Yes\_\_\_\_\_ No\_\_\_\_\_

**K. TEXTS:**

Mishkin. F.S., and Eakins. S.G. *Financial Markets and Institutions*, ISBN13: 9780134519265  
ISBN-10: 0134519264, 9<sup>th</sup> Edition, ©2018 • Pearson

**L. REFERENCES:**

1. Burton, M., R. Nesiba and R. Lombra (2003). *An Introduction to Financial Markets and Institutions*. Thomson-South Western.
2. Dietrich, J. K. (1996). *Financial Services and Financial Institutions*. Prentice Hall.
3. Gardner, M. J., D. L. Mills, and E. S. Cooperman. (2005). *Managing Financial Institutions*.
4. Hubbard, R. G. (2002) *Money, the Financial System, and the Economy*. Addison Wesley.
5. Hughes, J. E. and S. B. MacDonald (2002) *International Banking: Text and Cases*. Addison Wesley.

**M. EQUIPMENT:** Computer classroom and Internet access.

N. **GRADING METHOD:** Standard A-F grading

O. **SUGGESTED MEASUREMENT CRITERIA/METHODS:** Case studies analysis, class participation and presentation, research paper, quizzes, tests, essays, and/or exams.

**P. DETAILED COURSE OUTLINE:**

I. Introduction to Financial Markets and Institutions

- A. Financial Markets, Instruments, and Market Makers
- B. Properties and Pricing Financial Assets
- C. Risk and Term Structure of Interest Rates
- D. Demand for and Supply of Currencies

II. Central Banking and the Federal Reserve System

- A. Structure and Functions of Central Banks and the FED
- B. Financial Institutions and the Money Supply Process
- C. Monetary Theory and Policy
- D. Monetary Policy in an International Financial System

III. Money Markets

- A. Demand for and Supply of Money
- B. Money Market Characteristics, Participants, and Instruments
- C. Valuations of Money Market Securities
- D. International Money Markets

IV. Bond Markets

- A. Demand for and Supply of Bonds
- B. Bond Valuation Process
- C. Bond Prices, Elasticity and Duration
- D. International Bond Market

V. Equity Markets

- A. Major Domestic Exchanges and Stock Market Indexes
- B. Stock Valuation, Performance, and Efficiency
- C. Capital Asset Pricing Model and Arbitrage Pricing Model
- D. Choice between Stocks and Bonds

VI. Mortgage Markets

- A. Mortgage Anatomy and Amortization
- B. Fixed and Variable Interest Rate Mortgages
- C. Securitization and Secondary Markets for Mortgages
- D. Determination of Price of Mortgages in Secondary Markets

VII. Derivative Security Markets

- A. Financial Futures Markets
- B. Options Markets
- C. Interest Rate Derivative Markets

D. Foreign Exchange Derivative Markets

VIII. Depository Financial Institutions

- A. Depository Institutions Revenues, Costs, and Profits
- B. Performance of Depository Institutions
- C. Depository Institutions Market Structure
- D. Multinational Banking

IX. Insurance Companies

- A. Life Insurance Companies
- B. Health Insurance Companies
- C. Property and Casualty Companies
- D. Multinational Insurance Companies

X. Securities Markets Institutions

- A. Investment Banking Services
- B. Securities Brokers and Dealers
- C. Venture Capital and Private Equity Firms
- D. Risk Management in Securities Firms

XI. Mutual Funds and Pension Funds

- A. Social Security and Saving for Retirement
- B. Mutual Funds
- C. Pension Funds
- D. Economies of Scale and Consolidation

XI. Finance Companies

- A. Consumer Finance Companies
- B. Business Finance Companies
- C. Real Estate Finance Companies
- D. Risk Management and Financial Modernization

**Q. LABORATORY OUTLINE: None**