

# THE UNIVERSITY OF TEXAS AT DALLAS

Course: FIN 3350 Financial Markets and Institutions  
Term: Fall 2013 August 26, 2013 - December 19, 2013  
Professor: Katherine Qin, MBA, DPS  
Meetings: Mondays 7:00 pm – 9:45 pm      Break: 8:20 pm – 8:30 pm  
Location: JSOM 1.107

---

## PROFESSOR'S CONTACT INFORMATION

Cell Phone: 469-247-6497  
Email Address: [Katherine.qin@utdallas.edu](mailto:Katherine.qin@utdallas.edu) or [khq130030@utdallas.edu](mailto:khq130030@utdallas.edu)  
Office Hours: By appointment  
Other Information: Contacting the instructor by email is preferred

## COURSE INFORMATION

Pre-requisites, Co-requisites, & Other Restrictions: FIN 3320. Undergraduate level of Economics and Financial Accounting is required.

Course Description: Financial Markets and Institutions is an introductory course that explains the functions of financial institutions and the structure and regulations of the financial markets. This class takes a risk management approach to analyze the risks faced by financial institutions. The first part of the textbook focuses on financial institutions' business models and balance sheets. In this part, financial regulations are also discussed. The second part of the textbook focuses on how to measure financial risks. In this part, financial models and calculations are introduced.

Learning Outcomes: Students are expected to learn 1) the basic functions of different types of financial institutions, such as banks, insurance companies, security brokerage firms, investment banks, mutual funds, hedge funds, and finance companies, 2) the balance sheets of financial institutions and the risk management approach to manage them, 3) the measurement of financial risks, such as interest rate risk, market risk, credit risk, off-balance-sheet risk, foreign exchange risk, and liquidity risk, and 4) the history of financial regulations and the extraordinary government involvement in the current financial crisis.

Required Texts & Materials: Financial Institutions Management: A Risk Management Approach by Anthony Saunders & Marcia M. Cornett, 7<sup>th</sup> edition, McGraw-Hill/Irwin

Online access: [www.mhhe.com/saunders7e](http://www.mhhe.com/saunders7e)

Suggested Texts, Readings, & Materials: 1) Wall Street Journal, 2) America's Great Depression by Murray N. Rothbard, 5<sup>th</sup> edition, Mises Institute

## ASSIGNMENTS & ACADEMIC CALENDAR

08/26/2013 W1	Chapter 1. Why Are Financial Institutions Special
09/02/2013 W2	Labor Day
09/09/2013 W3	Chapter 2. Financial Services: Depository Institutions
09/16/2013 W4	Chapter 3. Financial Services: Insurance
09/23/2013 W5	Chapter 4. Financial Services: Securities Brokerage and Investment Banking

09/30/2013 W6	Chapter 5. Financial Services: Mutual Funds and Hedge Funds
10/07/2013 W7	Chapter 6. Financial Services: Finance Companies
10/14/2013 W8	Midterm (Chapter 1-6)
10/21/2013 W9	Chapter 8. Interest Rate Risk I
10/28/2013 W10	Chapter 9. Interest Rate Risk II
11/04/2013 W11	Chapter 10. Market Risk
11/11/2013 W12	Chapter 11. Credit Risk: Individual Loan Risk
11/18/2013 W13	Chapter 13. Off –Balance-Sheet Risk
11/25/2013 W14	Fall Break
12/02/2013 W15	Chapter 14. Foreign Exchange Risk
12/09/2013 W16	Chapter 17. Liquidity Risk, Chapter 26. Securitization
12/16/2013 W17	Final (Chapter 8, 9, 10, 11, 13, 14, 17, 26)

## **COURSE POLICIES**

Teaching Materials: All teaching materials will be posted on e-learning before each class. Students may download PowerPoint presentations, reference websites, and additional readings online.

Investment Discussions: Investment related discussions in class are for study only. They should not be considered as investment advice. Please consult a financial advisor before making investment decision as individuals' investment objectives and risk tolerance may differ.

Grading Criteria: The final grade is a weighted average of the following components: Homework I (5%), Homework II (5%), Midterm (35 %), and Final (55 %). According to the grade scale used in undergraduate course work at the university, A+, A, A-, B+, B, B-, C+, C, C-, D+, D, D-, and F are the grades that a student may earn in this class.

University grading scale: <http://www.utdallas.edu/student/catalog/undergrad07/policies-grades.html>

Test Policies: All exams are closed book tests. Multiple choice questions will be given to test students' understanding of the textbook, lecture notes, homework assignments, and additional readings. Scantron Form No. 882-E is needed to take a test. All answers to the test questions will be given in the following class. Test scores and score distribution of the class will be posted on e-learning. Calculators are allowed during an exam. No cell phone or other electronic devices are permitted. Cheating will result in zero credit.

Homework Assignments: A homework assignment will be given at the end of each class. The homework is due the following class. Two randomly selected homework assignments will be collected and returned to the class after they are graded. Answers to all homework assignments will be given on e-learning.

Make-up Exams: No make-up exam will be given unless for extreme situations.

Extra Credits: No extra credits are given.

Late Work: No late homework is accepted.

Class Attendance: Although class attendance is not counted toward a student's final grade, there is a positive correlation between a student's class attendance and his or her final grade. Students are

encouraged to attend all classes. A class attendance sheet will be distributed to the class at the beginning and the end of each class.

Classroom Citizenship: Professional courtesy is strongly encouraged in the classroom. Please turn off all cell phones when class is in session. No food or drink is allowed.

UTD Syllabus Policies and Procedures: <http://go.utdallas.edu/syllabus-policies>

**THESE DESCRIPTIONS AND TIMELINES ARE SUBJECT TO CHANGE AT THE DISCRETIONS OF THE INSTRUCTOR**