Module Guide

International Financial Markets

BAF-7-IFI

Business

2015/2016

Level 7
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1. **MODULE DETAILS**

- **Module Title:** International Financial Markets
- **Module Level:** 7
- **Module Reference Number:** BAF-7-IFI
- **Credit Value:** 20
- **Student Study Hours:** 200
- **Contact Hours:** 52
- **Private Study Hours:** 148
- **Pre-requisite Learning (If applicable):** None
- **Co-requisite Modules (If applicable):** None
- **Course(s):** MSc International Finance
- **Year and Semester:** Year 1 & Semester 1
- **Module Coordinator:** Dr Weiou Wu
- **MC Contact Details (Tel, Email, Room):**
  - 020 7815 7859
  - wuw6@lsbu.ac.uk
  - L 350

- **Teaching Team & Contact Details (If applicable):** Accounting & Finance
- **Subject Area:**
- **Summary of Assessment Method:**
  - 10% Bloomberg Market Concepts
  - 50% Individual Coursework
  - 40% 2-hour unseen written examination

- **External Examinee appointed for module:**
  - Dr Lianfeng Quan
  - Senior Lecturer in Finance
  - University of Greenwich

2. **SHORT DESCRIPTION**

3. **AIMS OF THE MODULE**

To enable students to critically interpret concepts and theories that explain the activities of the international financial markets and their institutions.

The module provides students with an in-depth knowledge and critical understanding of the characteristics and operation of the global markets. The analysis of international money markets, bond, equity, foreign exchange and derivatives markets will be linked to the main concern of governments and international financial organisations taking part in these flows.

This also enables students to appreciate the different trends in the integration of financial markets and financial intermediation within countries, regions and at global level.
4. **LEARNING OUTCOMES**

4.1 **Knowledge and Understanding**

On completion of this module students should be able to:

- Apply economic concepts and theories to the analysis of current developments. The module will also establish a macroeconomic foundation for other more specialist/practical modules that will be studied within the Masters.
- Denote a conceptual understanding of the theories of financial markets and intermediation, as well as being able to contrast theories against the practical development of disintermediation, securitization, the role of multilateral and private financial institutions and the participation of central banks and the government.
- Display critical awareness in discriminating among segments of the financial markets and the main forces that influence their evolution.
- Integrate information and demonstrate initiative in the assessment of the current problems faced by financial and monetary authorities when dealing with international flows.
- Students will be able to consider regulatory changes and their impact on the functioning of international financial markets and institutions.

Utilise knowledge from the module to evaluate, criticise and, where appropriate, to propose alternatives to the integration of financial markets, the importance of coordination agreements, government intervention, and the risks incurred by different participants in the globalization of these markets.

4.2 **Intellectual Skills**

By the end of the module students should demonstrate:

- Confident communication with others in reporting the findings of their study and research.
- Ability to reflective treatment of theory Versus practice, to expose and to discuss inconsistency and disparities in the effects of different policies and events in the global markets.
- An ability to use both banks and markets quantitative and quantitative information to critically examine the difficulties and problems arising from current affairs.

4.3 **Practical Skills**

During the module students should have developed the following skills:

- Competence in independent research and presenting results. This capability will be enhanced by the use of case studies and the coursework.
- Further development of IT skills by fluent use of Blackboard site for the module, the library’s CD-ROM databases and E-journals, as well as Bloomberg and Thomson-One Banker (or similar information systems) and the Internet. The use of word processors, presentation and statistical software will be relevant for the coursework.
- An ability to present and evaluate theoretical arguments, to apply the theory and critically scrutinize the changing patterns of financial intermediation.

4.4 **Transferable Skills**

By the end of the module students will be able to demonstrate:

- An ability to work and research to a high standard both independently and as a part of a team.
- An ability to prepare and deliver executive presentations and to debate issues in groups.
- Ability on reading summarising and using specialist articles from professional and academic journals.
- Precision and effectiveness in problem solving, as well as in using and explaining statistics to support the module's work.
- Numeracy skills: manipulation and presentation of financial and non-financial data referred to financial markets and the economy.
- Understanding of methodologies: accounting and information systems.
- Learning how to learn: developing skills of reinforcement, reflection and informed critical discussion and analysis.
5. **ASSESSMENT OF THE MODULE**

The module will be assessed by a combination of:

- Bloomberg Market Concepts (10% of final mark), and
- Coursework (50% of final mark), and
- Final two-hour written Exam Paper (40% of final mark).

The coursework element for academic year 2016/2017 will be provided once it has been approved by the External Examiner. The deadline for submission of the coursework is 13th December 2016.

The deadline for completion of the BMC is 1st December. Must receive grade of 70% or better for each module.

Students are reminded that the University implements a strict policy on late submission of coursework and on claiming extenuating circumstances.

The minimum pass mark for coursework and exam is 40%, with an overall minimum module pass mark of 50%.

6. **FEEDBACK**

Formative assessment will be provided throughout the module via discussion relating to student research and presentation in response to weekly seminar activities set. Individual feedback on the coursework assignment will be provided to students after the mark for coursework has been released.

7. **INTRODUCTION TO STUDYING THE MODULE**

7.1 **Overview of the Main Content**

Overview of the international financial environment and of financial markets. Monetary and foreign exchange rate policies.
Major financial markets – foreign exchange, money market, bond, equity and commodities - and their integration and interrelationships.
Introduction to derivatives and risk management.
Banking and non-banking institutions.
Regulation of financial markets and institutions

7.2 **Overview of Types of Classes**

The module will be taught in weekly sessions of a two-hour lecture followed by a two-hour seminar session. Both lectures and seminars may use videos and other sources, according to the topic under discussion. Students will be required to work individually and as a part of a team, and to attend university and other outside university conferences/seminars that relate to the area of international banking and finance.
Students are expected to participate actively in lectures and seminars. Therefore, they are advised to do the “essential reading” in each topic prior to attending lectures, and to work upon seminar questions in advance to the corresponding session.
Students will also be requested to prepare and participate in group discussion and debates upon case studies to be selected during the semester.
Students are required to make a continuous use of the library, computers, and Internet facilities.
7.3 Importance of Student Self-Managed Learning Time

Student responsibility in the learning and development process will be emphasised. Students are required to undertake directed self-study and prepare solutions/discussions to questions relative to various topic areas. Students will be encouraged to identify for themselves particular problems of difficulty and to use seminar discussions, where appropriate, for the resolution of these. Students must regularly access the Moodle site for this module. They should download the class/lecture material from the Moodle site, and do the recommended reading, before each lecture/class. Where appropriate, students are also expected to download the relevant seminar questions and study them in advance of each seminar, in order to derive maximum benefit from seminar time. The programme of teaching, learning and assessment gives guidance on the textbook reading required for each week, the purpose of which is to encourage further reading both on and around the topic.

7.4 Employability

On completion of this module students should have adequate knowledge of the underlying interrelationships and interdependence between a number of theoretical and practical issues within, and surrounding, the international financial markets and their participants. The students will be able to analyse and make connections regarding current macroeconomic issues and events affecting the financial world. The ability to discuss and analyse some government and financial sector strategies in the light of current events taking place in different countries and regions, will help in the students’ future career development within financial institutions, private companies and government offices that engage directly or indirectly with the financial markets.

8. THE PROGRAMME OF TEACHING, LEARNING AND ASSESSMENT

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<thead>
<tr>
<th>WEEK</th>
<th>TOPIC</th>
<th>READING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Module Overview; Overview of Financial Markets, Financial Institutions and Financial Intermediaries</td>
<td>Mishkin Ch 1 &amp; 2</td>
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<td></td>
<td></td>
<td>Fabozzi Ch 1 &amp; 2</td>
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<tr>
<td>2</td>
<td>Interest Rate and their Role in Valuation</td>
<td>Mishkin Ch 3</td>
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<tr>
<td>3</td>
<td>Determinants and Term Structure of Interest Rate</td>
<td>Mishkin Ch 4 &amp; 5</td>
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<td></td>
<td></td>
<td>Fabozzi Ch 10 &amp; 11</td>
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<tr>
<td>4</td>
<td>The Money Market</td>
<td>Mishkin Ch 11</td>
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<td>5</td>
<td>The Bond Market</td>
<td>Mishkin Ch 12</td>
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<tr>
<td>6</td>
<td>The Equity Market</td>
<td>Mishkin Ch 13</td>
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<td></td>
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<td>Fabozzi Ch 17 &amp; 18</td>
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<td>7</td>
<td>The Mortgage Market and the Financial Crisis</td>
<td>Mishkin Ch 14</td>
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<td>Fabozzi Ch 22, 23 &amp; 25</td>
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<td>8</td>
<td>The Foreign Exchange Market</td>
<td>Mishkin Ch 15</td>
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<td>9</td>
<td>The Derivatives Market</td>
<td>Mishkin Ch 24</td>
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<td>Fabozzi Ch 26, 27 &amp; 28</td>
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<td>10</td>
<td>Risk Management of Financial Institutions</td>
<td>Mishkin Ch 23 &amp; 24</td>
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<tr>
<td>11</td>
<td>Central Bank, Federal Reserve System, and Monetary Policy</td>
<td>Mishkin Ch 9 &amp; 10</td>
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<tr>
<td></td>
<td></td>
<td>Fabozzi Ch 3 &amp; 4 &amp; 5</td>
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<tr>
<td>12</td>
<td>Revision Session 1</td>
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<td>13</td>
<td>Revision Session 2</td>
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9. STUDENT EVALUATION

Towards the end of the Semester you will be invited to complete a standardised evaluation questionnaire relating to this module.
On an ongoing development basis, I welcome your feedback in terms of areas of improvement.

10. LEARNING RESOURCES

10.1 Core Materials

Pearson.US.
Financial Times
The Economist

10.2 Optional Materials

G. ARNOLD “Modern Financial Markets and Institutions – A Practical Perspective” (Pearson Education Limited, 2012)
LSBU Intranet database resources

10.3 Websites

A Moodle site is maintained for this module. Copies of teaching materials can be obtained at this site.

Library - http://www1.lsbu.ac.uk/library

www.cmegroup.com (Chicago Mercantile Exchange)
www.euronext.com (LIFFE/Euronext)
www.ft.com (Financial Times)
www.bloomberg.com (Bloomberg)

Other Resources

A PDF copy of the student handbook is available at:

A great deal of help is available on all academic matters from ‘Academic Assistant’ at
http://www.blc.lsbu.ac.uk/aa/aa/
NOTES

Plagiarism means presenting another person’s work as your own. Some examples of it are:

1. The inclusion in a student’s assignment of more than a single phrase from another person’s work without the use of quotation marks and due acknowledgement of the source.
2. The summarising of another’s work by simply changing a few words or altering the order of presentation, without proper acknowledgement.
3. The use of the ideas or intellectual data of another person without acknowledgement of the source or the submission or presentation of work as if it were the student’s, when in fact they are substantially the ideas or intellectual data of another person.
4. Copying the work of another person (be it a co-student or any other source).

Students are rightly expected to draw upon other people’s ideas but in an appropriate manner. Students will certainly use books and journals to assist with their studies and in students may have access to other people’s work on computer disk or over a computer network. When undertaking coursework assignments they may legitimately make reference to publication made by others.

However, other people’s work must be used in a principled way, with due acknowledgement of authorship. Students, in acknowledgement of the work of others must use a recognised standard and for business students this is the Harvard system of referencing.

For guidance on plagiarism refer to:
https://my.lsbu.ac.uk/assets/documents/library/h2g-library-4.pdf

For guidance on the Harvard system of referencing:
https://my.lsbu.ac.uk/assets/documents/library/h2g-library-30.pdf

The consequences of plagiarism are extremely serious. This should be borne in mind at all times and especially when students are completing their assignments. In cases of plagiarism and other forms of cheating, University regulations will be strictly applied. Penalties may include failure in the module, without the right to be re-assessed or even termination of studies.

If you have any concerns about plagiarism, you must discuss them with your lecturer or seminar tutor before submitting your final work for marking.

Student Support

London South Bank University offers many ways to offer you support while you study with us. We appreciate that many factors can impact on student success and so offer a suite of services students can rely on. Services can be accessed at: http://www.lsbu.ac.uk/student-life/student-services

There is a PDF guide to student support which can be found at:

For reasons of educational soundness and/or events beyond the control of the lecturer responsible for this module, s/he reserves the right to exceptionally vary and/or modify, the lecture programme to ensure that the module learning outcomes can be fully met.