



ACADEMIC EXCELLENCE REDEFINED
American University of Ras Al Khaimah

- I. Course:** BFIN 421 – Money and Capital Markets
Course Credit Hours: 3
Pre-requisites: BFIN 301.

The course will also require proficiency in Microsoft Excel and use of a financial calculator.

II. Course Description:

Goal:

This course is both a practical and a concept-oriented treatment of the workings of today's financial markets and institutions. It starts with an introduction of the fundamentals of financial markets and proceeds with a detailed review of the central banking system, the different financial markets, financial institutions, and the management of the different types of risks that these institutions face. It also covers the debt and equity capital markets, and one that will prove essential reading for current and potential market practitioners. It emphasizes the practical applications of analytical and valuation techniques that are fundamental to an understanding of both the bond and equity markets. A wide range of topics is covered, from yield curve modeling and index-linked bonds to corporate ratio analysis.

These issues are presented within a unified framework intended to encourage critical thinking and problem-solving skills in students

III. Course Materials and Basic Resources:

Textbook:

Economics of Money, Banking and Financial Markets,
Frederic S. Mishkin, *Columbia University* ©2013 • Prentice Hall • ISBN-10: 0132961970
• ISBN-13: 9780132961974

V. Course Goals and Student Learning Outcomes

Goals:

This course provides students a concise introduction to some of the important issues in the capital markets; it places emphasis on fixed income instruments and related products, as well as covering fundamental concepts in equity market analysis, foreign exchange and money markets, and other derivative instruments.

Student Learning Outcomes:

At the end of the course the student should be able to:

SLO 1	Explain the basic structure and functioning of money markets
SLO 2	Characterize bond market structure, features and operations
SLO 3	Explain the structure and prime features of the mortgage market
SLO 4	Discuss commercial bank regulatory mechanisms
SLO 5	Evaluate the efficacy of commercial bank regulatory mechanisms

VI. Weekly Topics and Assignments

Tentative Schedule

Week	Topics/In-Class Activities	Assessment Due Dates	SLO
WEEK1	Introduction		1
WEEK2	Determinants of interest rates		1
WEEK3	Determinants of interest rates (continued)..... Interest rates and security valuation	Quiz	1
WEEK4	The Federal Reserve System operation; a discussion of equivalent systems in the UAE/GCC		1,2
WEEK5	Money Market – structure, operations and issues		1,2

WEEK6	Money Markets (continued)		1,2,3
WEEK7	Bond Markets – structure, operations and issues	Assignment #1 Report analyzing Money market issues and problems	1,2,3
WEEK8	Bond Markets continued		1,2,3
WEEK9	Mortgage markets	Quiz	1,2,3
WEEK10	Review & Mid Term	Assignment #2 – case-study- based analysis of regional bond markets	
WEEK11	Commercial Banks: Overview	Quiz	4,5
WEEK12	Regulation of commercial banks, Reserve Requirements		4,5
WEEK13	Bank Regulation, Continued	Assignment #3 – Report on UAE/GCC regional regulatory mechanisms for commercial banks	4,5
WEEK14	Financial Reform Bill Summary		1,2,3,4,5
WEEK15	Review		1,2,3,4,5
WEEK16	Final Exam		

Out of Class Assignments

By weekly assignments which demonstrate and ratify principles and strategies taught in the classroom.

Methods	Dates	Weights
Class Participation	Continuous assessment throughout the semester	10%
Quiz	Weeks 3, 9 & 11	10%

Assignments	Weeks 7, 10 & 13	30%
Mid Term Exam	Week 8	20%
Final Exam	Week 16	30%

Mapping of Learning outcomes and assessments

Assessment Tool	Grade Weightage	Mapping with Course Learning Outcomes				
		1	2	3	4	5
Assignment #1	10%	x	x			
Assignment #2	10%	x	x	x		
Assignment # 3	20%				x	x
Quiz	10%	x	x	x	x	
Mid Term Exam	20%	x	x	x	x	
Final Exam	20%	x	x	x	x	x
Class Discussion/ Participation	10%	x	x	x	x	x

VIII. Grading System and Scale

University course work is measured in terms of quantity and quality. A credit normally represents one hour per week of lecture or recitation or not fewer than two hours per week of independent or laboratory work throughout a semester. The number of credits is a measure of quantity. The grade is a measure of quality. The university system for undergraduate grading is as follows:

Grade	Percentage Scores	Grade Points
A	90-100	4.0
A-	87-89	3.75
B+	84-86	3.3
B	80-83	3.0
B-	77-79	2.75
C+	74-76	2.3
C	70-73	2.0
C-	67-69	1.75
D+	64-66	1.3
D	60-63	1.0

F	0-59	0
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IX. Methodologies for Teaching and Learning:

Student's performance will be assessed based on Assignments, Quizzes, Mid-Term and Final Examinations as mentioned in the course calendar. Class participation and doing class assignments is a compulsory part of this course and these will also be used to assess student's performance throughout the course period.

All take home assignments will be handed out to the students at the end of week 2. End dates of take home assignments will be announced in class.

The mid-term and final examinations will constitute a significant portion of the overall grade. The Mid-term Examination would be conducted in the 7th week after the start of the semester and the Final examination will be conducted on 16th week.

X. Relevant Policies

Relevant policies [Except for the policy on academic misconduct, the inclusion of the following is only suggested and is at the discretion of the instructor].

A. Academic Misconduct. A. Academic

Misconduct: The Honor Code and Honor System

The Honor Code is an integral part of university life. Students are responsible, therefore, for understanding the code's provisions. Cheating and attempted cheating, plagiarism, lying, and stealing of academic work and related materials constitute Honor Code violations. In the spirit of the code, a student's word is a declaration of good faith acceptable as truth in all academic matters. To maintain an academic community according to these standards, students and faculty must report all alleged violations to the Honor Committee.

AURAK expects its students to uphold high standards of academic integrity and conduct. In particular, students are required to:

- Attend classes regularly and punctually.
- Be actively involved in class discussions and other course related classroom activities.
- Complete assignments on time.
- Meet the requirements for course and program completion.
- Abide by high standards of academic integrity, ethics, and honesty.
- Refrain from cheating on homework and examinations, plagiarizing other

people's work by submitting it as their own, or any other forms of academic dishonesty.

- Adhere to the published test or examination rules and regulations.
- Make every effort to maintain good academic standing.

Given the internet and easy access to information and knowledge sources, the University is committed to students' learning in an ethical manner. For all academic assignments, project work, and presentations, students need to ensure that due acknowledgement is given to the source of any information which they incorporate in their work. The following are some examples of academic misconduct:

- Cheating/using unfair means in examinations
 - Significant paraphrasing in written academic work that is unacknowledged
 - Unacknowledged use of information or ideas unless such ideas are commonplace
 - Citing sources which student has not read or referred to
 - Breaching the word limit of assignments and mentioning wrong word count
- Plagiarism

Plagiarism. Plagiarism is a serious academic offence. Plagiarism is the use of someone else's ideas, words, projects, artwork, phrasing, sentence structure or other work without properly acknowledging the ownership (source) of the property (item). Plagiarism is dishonest because it misrepresents the work of someone else as one's own. It is intellectual theft as it robs others of credit for their work. Plagiarism takes many forms including:

- Using someone else's words without putting those words in quotation marks and providing full information about their source, sufficient information so that another person could easily locate the words that are being quoted, whether it is in an article, a book, or on the web.
- Using unique, original ideas, phrases, sentences, paragraphs, or other materials, etc. from a single source or a variety of sources such as a text, journal, web page, electronic source, design, artwork, etc. in one's work without citing all sources. For a student found plagiarizing, the punishment will be a failing grade in the assignment without the right to redo the assignment up to a failing grade in the course.

Examples of Cheating. Acts of cheating include, but are not limited to, the following:

1. Copying from another student's paper during an exam, or allowing or encouraging another student to copy from your paper during an exam.
2. Having someone else take your exam in your place, or taking an exam for someone else.

3. Obtaining unauthorized access to exams and accepting exams obtained by unauthorized access.

Examples of Plagiarism. Acts of plagiarism include, but are not limited to, the following

1. Handing in as 'original', work prepared by someone else or preparing/completing someone else's work.
2. Copying from a book or other publication without citing sources.
3. Using the same work to satisfy the requirements of two or more courses (during the same or different terms).
4. Having someone else rewrite a rough draft or rewriting a rough draft that is not your own work.

Violations of plagiarism are subject to evaluation according to the criterion of "reasonable doubt". The student's right to appeal and the procedures to be followed in carrying out the appeal of the University's decision is clearly stated in the *Student Handbook*.

Any violations of the University's academic rules, regulations or directives are reported to the Deputy Vice Chancellor Academic Affairs and may result in one of the following disciplinary measures.

- Verbal or written warning
- Repeating the term
- Dismissal from the University

Please refer to the relevant section in the *Handbook* and ensure a clear understanding of the provisions of the University honor code and honor system in order to avoid infringement of the policy and attendant penalization.

B. Concerns about grades or other course matters. Students are responsible for their learning experiences. If you are concerned about a class matter, first discuss it with the instructor. If the matter is not resolved, the next step is to meet with the Program Chair. If you still have a concern, meet with the Dean. The matter is likely to be resolved before it reaches that point, but if it is not, then the following positions are next on the organization chart: the Deputy Vice Chancellor for Academic Affairs, and, finally, the Vice Chancellor. Students who decide to "jump to the top" will be referred back to the appropriate next step.

C. Assignments. University policy is that assignments are due on the date assigned. Instructors may refuse to accept late assignments or lower the grade that would be otherwise given.

D. Attendance.

- Attend all learning and teaching sessions associated with their program of study.
- Notify their course instructors in advance (in person, by phone or e-mail) that they will be absent from time-tabled class sessions.
- Obtain prior permission from their instructor or course manager, for planned absences of two or more consecutive class sessions during the semester.
- Provide a medical certificate or other corroborating evidence to explain their absence, if required by the University.

Unsatisfactory student attendance includes failure to regularly attend learning and teaching sessions without providing a satisfactory reason to instructors for absence and/or persistent late arrival at, or early departure from, learning and teaching sessions.

Where a student fails to attend classes for two weeks cumulatively without the University's permission, the student will receive a "non-attendance warning (NAW)", and will be required to provide satisfactory explanation for their non-attendance. With each subsequent NAW issued, a formal report on the student's non-attendance is made to their sponsor.

Where a student fails to attend classes for four or more weeks cumulatively, or where a recurring pattern of non-attendance (that is more than two NAWs) is observed, over the course of the semester, the student may be deemed to have failed the course, in which case they will receive an "F (Fail)" or "U (Unsatisfactory)" grade, as appropriate. At this point, and at the instructor's recommendation, the dean has the authority to instruct the registrar to remove the student from the course.

Course Instructors are responsible for reminding students of the importance of regular attendance at learning or teaching sessions, and for accurately recording student attendance. Instructors and Course Managers (Department Chairs or Program Coordinators) will be required to consult with the relevant School Deans, to ensure timely issuance of NAWs, non-attendance reports to sponsors (subject to data confidentiality stipulations) and to provide relevant academic counseling where necessary.

E. Mobile Phones: All mobile phones, pagers and/or other communication devices should be turned off before entering the classroom.

F. Diversity and the Use of English. English is the common language of the AURAK campus, the use of which includes everyone. It is the only language to be used in the classroom. AURAK brings together students and faculty from diverse cultural and linguistic backgrounds, which is one of the strengths of the university. This diversity provides an opportunity to share our different experiences and enlarge our

understanding of the world. Classroom discussions and other activities are to be conducted with courtesy and civility and respect for one another and for our differences.