GLOBAL FINANCIAL MARKETS AND INSTITUTIONS
Comprehensive view of the world's financial markets and institutions. The primary focus will be on the purpose and practice of financial institutions, and the specifics of the financial instruments available to the firm and investor.

PREREQUISITES
Students enrolling in this course must meet the following prerequisites: BUSI 2505 with a grade of C+ or higher, STAT 2606 and ECON 2009 with a grade of C- or higher in each.

The School of Business enforces all prerequisites.

COURSE DESCRIPTION
Financial markets and institutions continue to evolve, being driven by the forces of innovation, globalization and deregulation. These forces have (i) led to the deepening of the integration of financial markets, (ii) improved the efficiency of the operation of global financial markets, and (iii) increased the institutionalization of the financial markets through a shift from the retail investor to domination by financial institutions such as pension funds and commercial banks.

This course examines the various dimensions of the global financial markets in respect of its principal economic function of (i) transferring investible funds between markets and across
jurisdictions (ii) providing the mechanism of price determination of financial assets (iii) creating liquidity (iv) reducing the cost of transacting or exchanging of financial assets.

The course also examines the complex organizing and efficiency roles financial institutions play in making financial markets work. The course will further examine the structure of the financial system including the roles of central banks, financial intermediaries, international financial institutions, financial innovation such as e-finance and the regulation of financial institutions to minimize systemic failures.

**COURSE OBJECTIVES**
The purpose of this course is to accomplish the following:

a) Convey concepts, tools and frameworks fundamental to the understanding of the global financial markets and the institutions that ensure their well-functioning.

b) Use real life cases and current market events and issues to illustrate how financial markets and institutions work in the real world for the practicing manager.

**LEARNING OUTCOME**
On successful completion of this course the participant will have mastered the fundamental financial market concepts and techniques, and acquired the skill and ability to apply these techniques to financial problem-solving and decision-making in a global financial market context. The skills developed through this course will further the participant’s career and understanding of global financial events and provide a better understanding of the controversies surrounding hotly debated global financial issues.

**COURSE DELIVERY FORMAT**
The pedagogical approach adopted in this course is a combination of (i) lectures, augmented by (ii) in-class discussion of current market issues (iii) in-class case reviews and discussion (iv) presentation of team project by students.

Each class will commence with 15-30 minutes in-class discussion of current global financial market topical issues of the week gleaned from the news sources. Each student is required to come to class prepared to discuss at least one key global financial market issue of the week. It will be followed by a 1 hour to 1.25 hours of lecture on the concepts and frameworks of the topic for the day, in accordance with the required textbook. There will be a 15 minutes intermission. The break will be followed by completion of the lecture and working of problems related to the topic of the week, to reinforce what has been learned. The last 30-minutes of the class will be devoted to discussion of the mini case for the week.

**REQUIRED TEXT**
ADDITIONAL RESOURCE

RECOMMENDED FINANCIAL MARKET NEWS RESOURCES
CNBC – Market Insider
McKinsey – Global Capital Markets
Commentary from the Federal Reserve System
Commentary from the Bank of Canada
LCD Global Research Market Commentary
The Securities Industry and Financial Markets Association (SIFMA)
Global Financial Markets Association (GFMA)
National Post
Globe and Mail
The Economist
The Wall Street Journal
The Financial Times
Bloomberg News

COURSE EVALUATION

<table>
<thead>
<tr>
<th>Required</th>
<th>Type</th>
<th>Date</th>
<th>Marks</th>
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<tbody>
<tr>
<td>Evaluation 1</td>
<td>In-class Participation and Case Discussion</td>
<td></td>
<td>10%</td>
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<tr>
<td>Evaluation 2</td>
<td>Quiz 1</td>
<td>Feb 1</td>
<td>10%</td>
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<tr>
<td>Evaluation 3</td>
<td>Mid-term Examination</td>
<td>Feb 29</td>
<td>20%</td>
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<tr>
<td>Evaluation 4</td>
<td>Quiz 2</td>
<td>Mar 28</td>
<td>10%</td>
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<tr>
<td>Evaluation 5</td>
<td>Project Presentation</td>
<td>April 4</td>
<td>20%</td>
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<tr>
<td>Evaluation 6</td>
<td>Final Examination</td>
<td>TBD</td>
<td>30%</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td>100%</td>
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Participation
This is based not only on class attendance (attending each class and arriving on time and staying for the entire class), but also value-added contribution to in-class discussion such as provision of relevant examples or opinions being discussed or answering instructor’s questions.

Quizzes
The quizzes will focus on the concepts, tools and frameworks of global financial markets and institutions discussed from the relevant readings of the course as presented through lectures and in-class discussion. The quizzes will be based on the multiple choice format.
Current Global Financial Market Issue/Topic of the Week
Each student will come to class ready to discuss at least one global financial market topic of the week, gleaned from any of the various news sources. In preparing for the discussion of the topical issue, students must be ready to orally (i) describe briefly the key components of topical issue (ii) itemize the key implication(s) of the issue on participants of the global financial market and the institutions that run it (iii) state your personal opinions and conclusions you can draw from the topical issue.

Case Reviews
The Case or Mini-case for the respective week will be identified by the Instructor and must be read prior to coming to the class. In preparation for the discussion of the case, students must be ready to orally (i) state the facts of the case (ii) discuss response to the questions accompanying the case (iii) articulate their personal opinion of the application of the concepts of the Course to the Case. The Case will first be discussed in a group setting and each group will provide their views to the general class.

Project Presentation
The presentation will be based on group work and the topics will be agreed on by the instructor. Each member of the team will participate fully in the preparation of the assignment and the presentation. Hardcopies will be handed to the instructor prior to the presentation. A soft copy of the presentation should be e-mailed to the instructor on the day of the presentation. The grade for the group will be based on the following:

- Content – The content must be relevant and meaningful and cover all important points of the topic.
- Presentation – The presentation must have a clear structure, logical order and easy to be followed by the audience.
- Format – Presentation handouts and materials projected on the screen must be professional, with no spelling or grammatical errors.
- Delivery – The presenters must make the materials interesting to the audience, with clear explanations and examples where appropriate. Presenters must provide correct and meaningful answers to questions posed during the oral presentation.

Mid-term Examination, Quizzes & Presentations
Students who miss the Mid-Term Examination for legitimate reasons can apply to have their Mid-Term grade weighting added to the weighting for the Final Examination. There will be no make-up Mid-Term Examination. Students who miss the Mid-Term Examination without valid reasons will receive zero marks. Mid-Term Examination will comprise of questions from topics covered in class up to the last class before the Examination. There will be no make-up Quizzes and Presentation.

Final Examination
The Final Examination will cover the entire course topics, including cases discussed. Students who miss the Final Examination must apply for possible deferred examination privileges.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
<th>Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 11</td>
<td>Globalization of financial markets; Why study financial markets and institutions; Overview of the Financial System</td>
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<tr>
<td>2</td>
<td>January 18</td>
<td>Depository Institutions, the Federal Reserve and Monetary Policy Tools and Tactics</td>
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<td>3</td>
<td>January 25</td>
<td>Pricing of financial assets, Risk Return and Asset Pricing Models</td>
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<td>4</td>
<td>February 1</td>
<td>Interest Rate determination and the Term Structure of Interest rates</td>
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<td><strong>Quiz # 1</strong></td>
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<tr>
<td>5</td>
<td>February 8</td>
<td>Organization and Structure of the Financial Markets; Treasury and Agency Securities</td>
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<td><strong>Winter Break – No Classes</strong></td>
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<tr>
<td>6</td>
<td>February 22</td>
<td>Markets for Corporate Securities (Stocks)</td>
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<tr>
<td>7</td>
<td>February 29</td>
<td>Markets for Corporate Senior Instruments (Debt Obligations)</td>
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<td><strong>Mid-term Examination</strong></td>
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<td>8</td>
<td>March 7</td>
<td>Mortgage and Securitized Asset Markets - Residential &amp; Commercial Mortgages; Mortgage-Backed Securities Market; Asset-Backed Securities Market</td>
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<tr>
<td>9</td>
<td>March 14</td>
<td>Markets for Derivative Securities – Future, Options and how they are priced</td>
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<td>11</td>
<td>March 28</td>
<td>Financial Institutions, Industry and Market Regulations</td>
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<tr>
<td>12</td>
<td>April 4</td>
<td>Project Presentation</td>
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</table>
**FND:**

To reduce instances of miscommunication Carleton introduced a grade FND (Failure with No Deferral) to be assigned to students who fail to meet the minimum in-term performance standards explicitly set out in the outline and applied consistently (i.e., there is no other hidden criteria).

**Satisfactory In-term Performance**

1. Unless otherwise stated below in item #2, the requirement for Satisfactory In-term Performance is set at 50% of all, not each, pre-final term work (i.e. assignments, participation marks, tests etc.).
2. The criterion/criteria and the standard(s) for Satisfactory In-term Performance are as follow(s):
   a. <insert list here if applicable>
3. Unsatisfactory In-term Performance in this course will lead to failure in this course (regardless of the performance at the Final exam or final project)
   
   ✓ Yes   No

4. FND grade in this course (in case of missed Final exam or project)
   
   ✓ No   Yes

**ADDITIONAL IMPORTANT INFORMATION**

**Course Sharing Websites**

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

**Policy on Mobile Devices**

The use of mobile devices IS NOT PERMITTED in this class. It is disruptive to the instructor and class members. If you carry such a device to class, please make sure it is turned off. If n emergency situation requires you to keep it turned on, please discuss this with your instructor prior to class.

**Required calculator in BUSI course examinations**

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

**Group Work**
The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your instructor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Requests for Academic Accommodations

For Students with Disabilities:
The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2015 exam period is November 6, 2015 and for the April 2016 exam period is March 6, 2016.

Religious Observance
Students requesting academic accommodation on the basis of religious observance should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Pregnancy
Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity
Violations of academic integrity are a serious academic offence. Violations of academic integrity — presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized cooperation or collaboration or completing work for another student — weaken the quality of the degree and will not be tolerated. Penalties may include expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/.

**Letter Grade System**
In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

- A+ = 90-100
- B+ = 77-79
- C+ = 67-69
- D+ = 57-59
- A = 85-89
- B = 73-76
- C = 63-66
- D = 53-56
- A- = 80-84
- B- = 70-72
- C- = 60-62
- D- = 50-52

F = Below 50 WDN = Withdrawn from the course

ABS = Student absent from final exam
DEF = Deferred (See above)
FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

**Academic Regulations, Accommodations, Plagiarism, Etc.**
University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university’s website, here: http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity

**Sprott Student Services**
The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you’re having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! http://sprott.carleton.ca/students/undergraduate/support-services/

Be in the know with what’s happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.
Important Information:

- Students must always retain a hard copy of all work that is submitted.
- All final grades are subject to the Dean’s approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting http://carleton.ca/ccs/students/

IMPORTANT DATES AND DEADLINES

January 4
University reopens

January 6
Winter-term classes begin.

January 19
Last day for registration for winter term courses.
Last day to change courses or sections (including auditing) for winter term courses.
Students who have not deposited (via automated upload) the final copy of their thesis to the office of the Faculty of Graduate and Postdoctoral Affairs must register.

January 31
Last day for a fee adjustment when withdrawing from Winter term courses or the Winter portion of two-term courses. Withdrawals after this date will create no financial change to Winter term fees (financial withdrawal).

February 12
April examination schedule available online.

February 12-20
Fall-term deferred examinations will be held.

February 15
Statutory holiday, University closed.

February 15-19
Winter Break. Classes are suspended.

March 1
Last day for UHIP refund applications for International Students who will be graduating this academic year.
Last day for receipt of applications from potential spring (June) graduates.
March 6
Last day to submit Formal Examination Accommodation Forms to the Paul Menton Centre for Students with Disabilities for April examinations.

March 24
Last day to pay any remaining balance on your Student Account to avoid a hold on access to marks through Carleton Central and the release of transcripts and other official documents. An account balance may delay Summer 2016 course selection.

Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

March 25
Statutory holiday, University closed.

April 1, 2016
Last day for receipt of applications for admission to an undergraduate program for the fall/winter session, from candidates whose documents originate outside Canada or the United States, except for applications due February 1 or March 1.

April 8
Winter term ends.

Last day of fall/winter and winter-term classes.
Last day for academic withdrawal from fall/winter and winter term courses.
Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for fall/winter and winter-term courses.

April 9-10
No classes or examinations take place

April 11-23
Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all 7 days of the week.

April 15, 2016
Winter Co-op Work Term Reports are due.

April 23, 2016
All take home examinations are due on this day.

June 6-16
Fall/winter and winter term deferred final examinations will be held.