

Money and Financial Institution (BUS 366)

Class Hours: Tue 10:30 a.m.-1:20 p.m.

Professor: Sung Sup Choi

Email: sungsup.choi@sunykorea.ac.kr

Office hours: Tues 2:00 – 4:00 p.m

Office: ??

Pre-requisite: Bus 330

Course Description: The course introduces topics such as the structural organization of financial market institutions and the role they play in economy, the basic concepts in modern finance and monetary policy. The course can be thought of as a blend of material covered in a traditional “money and banking” economics course and a standard “money and financial markets” course. It differs, however, in its general approach to the topics covered. The approach of the course is largely implications and applications oriented. The purpose of this approach is to introduce the student to real-world issues and problems that participants in financial markets regularly encounter. Additionally, in that money and financial markets are truly “globalized,” international perspectives are fully integrated into the material. Further, the role of the central bank in terms of the formulation and implementation of monetary policy is considered as a vital component of the course. Last but not the least, the course covers the framework and the management of banking and non-bank financial intermediaries.

Textbook: The main textbook is *Financial Markets and Institutions* by F. Mishkin and S. Eakins, Pearson Publishing (9th edition). Lecture notes and other materials to the class can be downloaded from the blackboard.

Evaluation and Grading: Evaluation will be based on 1. Class Participation and Attendance (10%), 2. Quiz (20%), 3. Assignment (20%), 4. Exam (50%).

Every time each chapter is completed, you are to try the dataset of its related quiz which can be downloaded from the blackboard. Based on this quiz dataset, you will be given a pop quiz from time to time.

As for assignments, there will be two. One is related to the financial market, and

the other is about financial institutions. Regarding the financial market, pick one market (such as the bond market, the stock market, or the FX market) in a specific country. Then, explain and analyze it. If you find a problem in the market you choose, state it and see if there is a way to improve it. Once you have summarized it in 3-4 pages, submit it to the blackboard. Concerning financial institutions, again, pick one type of financial institution (such as bank, insurance, mutual fund, etc.) in a specific country. Then, explain and analyze it. If you find a problem in your choice of financial institution, state it and see if there is a way to solve it. Once you have summarized it in 3-4 pages, submit it to the blackboard.

Given the time constraints and various materials to be covered, we won't be able to make time for a mid-term exam. Thus, we will continue to have regular lectures during mid-term exam period. However, your final exam will be cumulative, and will be in-class.

Based on the above evaluation, 'A' grade will be given to the top 30% of the class, 'B' the next 35%, 'C' the next 30%, and 'D and F' to the rest.

Student Accessibility Support Center Statement

If you have a physical, psychological, medical, or learning disability that may impact your course work, please contact the Student Accessibility Support Center, 128 ECC Building, (631) 632-6748, or via e-mail at sasc@stonybrook.edu. They will determine with you what accommodations are necessary and appropriate. All information and documentation are confidential.

Academic Integrity Statement

Each student must pursue his or her academic goals honestly and be personally accountable for all submitted work. Representing another person's work as your own is always wrong. Faculty are required to report any suspected instances of academic dishonesty to the Academic Judiciary. Faculty in the Health Sciences Center (School of Health Technology & Management, Nursing, Social Welfare, Dental Medicine) and School of Medicine are required to follow their school-specific procedures. For more comprehensive information on academic integrity, including categories of academic dishonesty, please refer to the academic judiciary website at

http://www.stonybrook.edu/commcms/academic_integrity/index.html.

Critical Incident Management

Stony Brook University expects students to respect the rights, privileges, and property of other people. Faculty are required to report to the Office of

University Community Standards any disruptive behavior that interrupts their ability to teach, compromises the safety of the learning environment, or inhibits students' ability to learn. Faculty in the HSC Schools and the School of Medicine are required to follow their school-specific procedures. Further information about most academic matters can be found in the Undergraduate Bulletin, the Undergraduate Class Schedule, and the Faculty-Employee Handbook.

Course Schedule:

Week	Course Content/Topics
1	Main Text Chapter 1: Introduction
2	Main Text Chapter 2: Overview of the Financial System
3	Main Text Chapter 3: What do interest rates mean and what is their role in valuation?
4	Main Text Chapter 4: Why do interest rates change?
5	Main Text Chapter 5: How do risk and term structure affect interest rates?
6	Main Text Chapter 6: Are Financial Markets Efficient?
7	Main Text Chapter 7: Why do Financial Institutions Exist?
8	Main Text Chapter 10: Conduct of Monetary Policy: Tools, Goals, Strategy, and Tactics
9	Main Text Chapter 12: The Bond Market
10	Main Text Chapter 13: The Stock Market
11	Main Text Chapter 15: The Foreign Exchange Market
12	Main Text Chapter 17: Banking and the Management of Financial Institutions
13	Main Text Chapter 20: The Mutual Fund Industry
14	Main Text Chapter 21: Insurance Companies and Pension Funds
15	Main Text Chapter 22: Investment Banks, Security Brokers and Dealers, and Venture Capital Firms
16	Final Exam