



Nanchang University
ECON361: Financial Markets and Institutions
(Last Updated in Jan. 2025)

Credit: 4

Contact Hours

This course is composed of 24 lecture sessions, 3 tutorial sessions and 9 office contact hours. Each lecture session takes 2 contact hours in length; each tutorial session takes 3 contact hours in length; There will be a Q-A review session (3 contact hours) and Final Exam (3 contact hours) at the end of this term. This course has 72 contact hours in total.

Course Description

This course can show us the overview of the financial system, and offer us the information about the fundamentals of financial markets, fundamentals of financial institutions. We can also learn something about the general banks and the federal reserve system. More knowledge about the money markets, bond markets, stock markets, mortgage markets, foreign exchange markets and the international financial system will be provided. We can also know the management of financial institutions.

Note: This Syllabus is subject to change based on the needs of the class.

Required Textbook

Textbook: *Financial Markets and Institutions*, by Frederic S. Mishkin, Stanley G. Eakins, 7th Edition, Pearson.

Grading

•Participation	10%
•Quizzes	25%
•Discussions	15%
•Mid-Term	20%
•Final Exam	30%

A+	96-100	A	90-95	A-	85-89
B+	82-84	B	78-81	B-	75-77
C+	71-74	C	66-70	C-	62-65
D	60-61	F	< 60		



Course Schedule

The course has 24 class sessions in total. All sessions are 2 contact hours in length. At the end of this term, there will be a Q-A review session(3 contact hours) and Final Exam (3 contact hours).

Note: the course outline and required readings are subject to change.

Class 1:

Introduction to the course and syllabus-related materials

Class 2:

Why Study Financial Markets and Institutions?

Overview of the Financial System

Reading: Chapter 1 & Chapter 2

Class 3:

Fundamentals of Financial Markets

What Do Interest Rates Mean and What Is Their Role in Valuation?

Reading: Chapter 3

Class 4:

Fundamentals of Financial Markets

Why Do Interest Rates Change?

Reading: Chapter 4

Class 5:

Fundamentals of Financial Markets

How Do Risk and Term Structure Affect Interest Rates?

Chapter 6:Are Financial Markets Efficient?

Reading: Chapter 5 & Chapter 6

Class 6:

Review of Chapter 1 to Chapter 6

Quiz 1

Class 7:

Fundamentals of Financial Institutions

Why Do Financial Institutions Exist?

Reading: Chapter 7

Class 8:

Fundamentals of Financial Institutions

Why Do Financial Crises Occur and Why Are They So Damaging to the Economy?



Reading: Chapter 8

Class 9:

Central Banking and The Conduct of Money Policy

Central Banks and the Federal Reserve System

Reading: Chapter 9

Class 10:

Central Banking and The Conduct of Money Policy

Conduct of Monetary Policy: Tools, Goals, Strategy, and Tactics

Review of Chapter 7 to Chapter 10

Reading: Chapter 7 to Chapter 10

Quiz 2

Class 11:

Financial Markets

The Money Markets

Reading: Chapter 11

Class 12:

Financial Markets

The Bond Market

The Stock Market

Reading: Chapter 12 & Chapter 13

Class 13:

Financial Markets

The Mortgage Markets

The Foreign Exchange Market

Reading: Chapter 14 & Chapter 15

Class 14:

Financial Markets

The International Financial System

Reading: Chapter 16

Class 15:

Review and Midterm

Class 16:

The Financial Institutions Industry

Banking and the Management of Financial Institutions

Financial Regulation

Reading: Chapter 17 & Chapter 18



Class 17:

The Financial Institutions Industry

Banking Industry: Structure and Competition

The Mutual Fund Industry

Reading: Chapter 19 & Chapter 20

Class 18:

The Financial Institutions Industry

Insurance Companies and Pension Funds

Reading: Chapter 21

Class 19:

The Financial Institutions Industry

Investment Banks, Security Brokers and Dealers, and Venture Capital Firms

Reading: Chapter 22

Class 20:

Review of Chapter 11 to Chapter 22

Quiz 3

Class 21:

Risk Management in Financial Institutions

Hedging with Financial Derivatives

Reading: Chapter 23 & Chapter 24

Class 22:

The Management of Financial Institutions

Reading: Chapter 25 & Chapter 26

Class 23:

Savings Associations and Credit Unions

Finance Companies

Class 24:

Overall Review

Attending Policy

Regular and prompt attendance is required. Under ordinary circumstances, you may miss two times without penalty. Each absence over this number will lower your course grade by a third of a letter and missing more than five classes may lead to a failing grade in the course. Arriving late and/or leaving before the end of the class period are equivalent to absences.



Policy on “Late Withdrawals”

In accordance with university policy, appeals for late withdrawal will be approved **ONLY** in case of medical emergency and similar crises.

Academic Honesty

Nanchang University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating, and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

General Expectations:

Students are expected to:

- Attend all classes and be responsible for all materials covered in class and otherwise assigned;
- Complete the day's required reading and assignments before class;
- Review the previous day's notes before class and make notes about questions you have about the previous class or the day's reading;
- Participate in class discussions and complete required written work on time;
- Refrain from texting, phoning or engaging in computer activities unrelated to class during the class period;
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.

Special Needs or Assistance

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.