

**Quantitative Finance**  
**Course Number: 22:839:604**  
**Course Title: Financial Institutions and Markets**

## **COURSE OBJECTIVES**

To provide an introduction to financial markets, securities markets, and financial institutions. To give a better understanding of diverse security instruments and investment products. To understand how commercial banks, finance companies, insurance companies, and investment firms have a decisive impact on the financial markets.

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## **COURSE MATERIALS**

**II. ASSIGNED TEXTS:** Financial Markets and Institutions by Anthony Saunders and Marcia Cornett, McGraw Hill-Irwin, 7<sup>th</sup> edition, 2019, ISBN # 978-1-259-91971-8

**READINGS POSTED ON CANVAS:** Articles on Canvas will supplement the textbook and discussions in class. The student should check Canvas regularly for the posting of new articles.

**DAILY READING:** The Wall Street Journal. To apply the concepts and ideas discussed in class to recent and current trends and developments.

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## **DETAILED PROGRAM OF INSTRUCTION**

<u>TOPIC</u>	<u>TEXT CHAPTER</u>
Introduction and overview of financial markets	1
Determinants of interest rates	2
Interest rates and security valuation	3
The Federal Reserve System, Monetary Policy, and interest rates	4
Money markets	5
Bond markets	6

Mortgage markets	7
Stock markets	8
Foreign exchange markets	9
Commercial banks: Industry overview	11
Commercial Banks' financial statements and analysis	12
Other lending institutions	14
Insurance companies	15

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## METHODS AND PROCEDURES

Lectures, discussions, problems, and readings. You must attend class in order to be aware of any material not covered in the textbook, any changes in the class program, and material covered on the quizzes and the Midterm and Final Exams. Homework problems will be assigned during class. The homework problems will greatly assist you on the exams and quizzes.

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## ACADEMIC INTEGRITY

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy <http://academicintegrity.rutgers.edu/>

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, "On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment." I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don't let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

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## EXAM DATES AND POLICIES

- V. There will be two (2) thirty-minute quizzes given during the course. The Midterm and Final Exams will take up the entire period. The exams will consist of a combination of problems, multiple choice, short answer and true or false questions.

Grading break down:

Midterm Exam	35%
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Final Exam	35%
Quiz #1	10%
Quiz #2	10%
Homework	<u>10%</u>
<b><i>TOTAL</i></b>	<b><i><u>100%</u></i></b>

**GRADING SCALE**

<u>Letter Grade</u>	<u>Numerical Grade</u>
A	100-95
A-	94-90
B+	89-86
B	85-83
B-	82-80
C+	79-76
C	75-73
C-	72-70
D	69-60
F	59-00

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**COURSE POLICIES**

All college and departmental policies concerning attendance, incompletes, missed exams, etc., will be observed. For example, excused absences, make-up exams, or incompletes will be given for normally *acceptable* reasons. ***THERE WILL BE NO EXCEPTIONS.*** Unexcused absences from quizzes and exams will result in a grade of *zero (0)*.

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**COURSE SCHEDULE**

*Chapter/Agenda*

Introduction, 1

2

3

4

*Quiz #1, 5*

6

7

*Midterm Exam*

8

9

*Quiz #2, 11*

12, 14

4

*Final Exam*

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**SUPPORT SERVICES**

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention

and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu>.

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]