

COURSE SYLLABUS
SOUTHEAST MISSOURI STATE UNIVERSITY

Department of: **Economics and Finance**
Title of Course: **Modern Financial Institutions**

Course No. **FI364**
Revision **Spring 2012**

I. Catalog Description and Credit Hours of Course:

Comprehensive survey of the role of each of the major financial institutions in our economy. (3 hours credit.)

II. Prerequisite(s): FI361 Financial Management with a minimum grade of "C".

III. Purposes or Objectives of the Course:

- A. Knowledge of the historical development and functions of the financial institutions and the financial markets.
- B. Study of the functional organization and financial practices of the financial institutions and the impact of regulation.
- C. Analysis of changes in structure, activities, facilities and the impact of technology.
- D. The course will be taught consistent with University Studies objectives:
 - 1. Demonstrate ability to integrate the breadth and diversity of knowledge and experience.
 - 2. Demonstrate ability to make informed, intelligent value decisions
 - 3. Demonstrate capabilities for critical thinking, reasoning and analyzing

IV. Student Learning Outcomes

Upon completion of this course, students should be able to:

- A. Explain the working and operation of the central bank, fractional reserve banking system, discretionary stabilization policy, debt duration.
- B. The structure of interest rates, risk premiums, money market instruments, Treasury market, municipal bond market and taxes, corporate bond market, securitized mortgage market, structure of equity markets, basics of cross-country returns.
- C. Commercial banking operations, profitability, liquidity, solvency, asymmetric information, loan pricing and monitoring. International banking, and regulatory role of the Federal Reserve, FDIC and CAMELS standards.

V. Expectations of Students:

- A. General Expectations: This course is based upon the premise that an understanding of modern financial institutions is important to the students preparing for participation in any phase of

management. It is expected that students will avail themselves of the opportunities provided in the course for the developments of professional attitudes and competencies. Students are expected to do the assigned work and be prepared to discuss them in class.

**SUGGESTED TIME IN
50 MINUTE PERIODS**

VI. Course Content or Outline:

A.	Overview of the Financial System	9
	1. Role and functions of financial institutions	
	2. Technology, Efficiency and Government Intervention	
	3. Determination and Term Structure of Interest Rates	
B.	Commercial Bank Financial Institutions	9
	1. Financial Intermediation	
	2. Commercial Bank Evolution and Mergers	
	3. Commercial Bank Globalization	
C.	Other Financial Intermediaries	9
	1. S & L's, Savings Banks and Credit Unions	
	2. Finance Companies and Insurance Companies	
	3. Pension Funds and Mutual Funds	
D.	Financial Markets	9
	1. Money Markets	
	2. Long-term Securities Markets	
	3. Mortgage Markets	
E.	Stability of the Financial Institutions and Markets	9
	1. Liquidity Management	
	2. Stability Management	
	3. Deposit Insurance	
	Total:	45

VII. Textbook(s) and/or Other Required Materials or Equipment:

- A. Textbook: Kidwell, Blackwell, Whidbee, Sias Financial Institutions, Markets, and Money, New York: Wiley 2012.
- B. Students will also be required to read other assigned material that is handed out or appears on the internet.

VIII. Basis for Student Evaluation:

Level of performance on examinations, computer assignments and other assigned activities.