

Semester at Sea Course Syllabus
Colorado State University, Academic Partner

Voyage: Fall 2017
Discipline: Finance
Course Number and Title: FIN 310 Financial Markets and Institutions
Division: Upper
Faculty Name: Sue Hine
Semester Credit Hours: 3

Meeting: A Day 1400-1520, Lido Terrace

Prerequisites: One (1) principles of macroeconomics course

COURSE DESCRIPTION

This course is designed to provide students with an understanding of how financial markets and institutions operate within the overall framework of the domestic and global financial system. A primary focus will be on how the markets for bonds, mortgages, currencies, and equities work. In addition, we will analyze how the world's central banks (including the World Bank and IMF) work with and through other financial institutions such as commercial and investment banks to stabilize world economies. As we travel the world, we will compare how developed countries' financial systems differ from those of the developing world and how microfinance has enabled many small businesses in these developing countries to grow. We will also examine banking regulations in various parts of the world to see what impact those regulations have on operations. By the end of the course, students will have a good foundation with which to compare and contrast how the world's financial systems work.

LEARNING OBJECTIVES

After completing this course, the successful student will have a good working knowledge of:

- The role of the financial markets and institutions and how they facilitate money flows
- The development of microfinance and how it differs from traditional forms of financial markets
- The role of the Federal Reserve (and other central banks) and their impacts on interest rates and general economic development and growth
- The various instruments of the money and capital markets
- The role of the World Bank and the IMF in developing markets
- The importance of foreign exchange management as well as the impact of international financial institutions on financial decision-making
- How regulations have impacted financial institutions

REQUIRED TEXTBOOK

AUTHOR: Frederic S. Mishkin and Stanley G. Eakins
TITLE: Financial Markets and Institutions
PUBLISHER: Pearson
ISBN #: 978-0133423624
DATE/EDITION: 2015/Eighth
The Seventh Edition is on reserve in the Ship's Library

Other Required Supplies: Financial Calculator or Scientific Calculator that includes Financial Functions

TOPICAL OUTLINE OF COURSE: Note: All topics will be tied to the ports visited throughout the semester

Depart Bremerhaven, Germany – September 9

A1–September 11: Welcome and Introduction—overview and discussion of the various financial markets and system: What is the difference between financial markets and the financial system?

- Read Chapters 1 and 2

A2–September 13: Continue with the financial markets and system and begin a discussion on how the foreign exchange market (FOREX) works.

- Read Chapter 15

Barcelona, Spain – September 15-16

Valencia, Spain – September 17-18

A3–September 19: Finish FOREX and begin a discussion of How/why do interest rates change; can we predict these changes?

- Read Chapter 4 (Pages 72, Changes in Equilibrium Interest Rates to end of Chapter)

A4–September 21: Continue our discussion of Chapter 4 and begin a discussion on how risk affects interest rates

- Read Chapter 5

No Class – September 23

A5–September 24: Finish Chapter 5 and begin discussing the role of central banks and the world bank? How are they different? What Role does the IMF play?

- Read Chapters 9, 10, and 16

A6–September 26: Finish Central Bank discussion

Tema, Ghana – September 27-28

Takoradi, Ghana – September 29-30

A7—October 3: Review for Midterm 1 and begin introduction of microfinance and how has it developed with the support of Muhammad Yunus (Noble Prize winner)

- Readings posted on the Intranet

A8—October 5: Midterm One

Cape Town—October 7-12

A9—October 13: Microfinance continued: How can we compare microfinance with traditional financial markets in developed countries? What were the causes of the global financial crisis and will it happen again financial system

- Read Chapter 8

A10—October 15: Finish our discussion on the financial crisis and begin a discussion on how the money markets work and how they facilitate the financial system

- Read Chapter 11

No Classes—October 16

A11—October 18: Finish our discussion on the money markets and look at how does the stock market works and how we value stocks

- Read Chapter 13

Port Louis – October 19

A12—October 21: Finish our discussion on stocks and complete in-class assignment

No Class – October 22

A13—October 24: What is the role of interest rates in valuation

- Read Chapter 3

Cochin, India – October 25-30

No Classes – October 31

A14—November 2:

Get Ready for the Field Class Trip

Yangon—November 4-8

A15—November 9: Discuss the field trip to Myanmar and review for Midterm Two

No class – November 11

A16—Midterm Two

Ho Chi Minh City, Vietnam — November 14-18

A17—November 19: What exactly is a bond and how do bonds facilitate the flow of funds in the financial system; how do we value bonds?

- Chapter 12

No Class – November 21

A18—November 22: What is a mortgage and how were mortgages involved in the global financial crisis?

- Read Chapter 14

Shanghai—November 24-29

A19—November 30: Financial Institutions: How are they similar and different? How are they regulated?

- Read Chapters 17 and 18

Kobe—December 2 - 6

A20—December 7: How do mutual funds and hedge funds serve as financial institutions?

- Read Chapter 20

A21—December 9: Continuation of mutual and hedge funds, and time permitting; begin a discussion of how the options and futures contracts work; what are the basics?

- Read Chapter 24

A22—December 11: Continue our discussion on options and futures

No Class – December 12

A23—December 13: Presentations from the field work experience

- Final write-up of field assignments due

A24—December 15: Review for Final Exam

Honolulu, Hawaii — December 16

A25—December 18: A Day Finals

Study Day – December 19

San Diego—December 23

FIELD WORK

Semester at Sea field experiences allow for an unparalleled opportunity to compare, contrast, and synthesize the different cultures and countries encountered over the course of the voyage. In addition to the one field class, students will complete independent field assignments that span multiple countries.

Field Class attendance is mandatory for all students enrolled in this course. Do not book individual travel plans or a Semester at Sea sponsored trip on the day of your field class. Field Classes constitute at least 20% of the contact hours for each course, and are developed and led by the instructor.

Field Class & Assignment (20% of overall grade)

The field class for this course will take place on Wednesday, 8 November, in Yangon, Myanmar.

Comparing Financial Institutions in Myanmar

We will be visiting the **World Bank**, **Yoma Bank**, a large private commercial bank, and **Proximity Designs**, a social enterprise based in Yangon, Myanmar. You will have the opportunity to compare and contrast three different financial institutions while in Myanmar. Detailed instructions for the field trip will be provided in class.

Learning Objectives:

1. To study the functions of the World Bank at the county level
2. To learn about commercial banking in a developed country
3. To learn about micro financing and entrepreneurship from a CEO of a successful business.

Independent Field Assignments (10% of the overall grade):

The class will be divided into eight teams for the fieldwork in each country visited. Each team will track formal and informal financial markets in the country of visit. The group will record how financial transactions take place in informal markets and discuss variability in institutions and processes. Each group will write a short paper and will make a short presentation of their findings. Again, detailed instructions will be provided in class.

Learning Objectives:

1. Is Purchasing Power Parity theory or fact
2. Track foreign-exchange rates and understand what impacts rates between countries
3. Be able to make a formal presentation

METHODS OF EVALUATION / GRADING SCALE

GRADING SCALE

The following grading scale is utilized for student evaluation. Pass/Fail is not an option for Semester at Sea coursework. Note that C-, D+ and D- grades are also not assigned on Semester at Sea in accordance with the grading system at Colorado State University (the SAS partner institution). A plus or minus will be used only if it is beneficial to the student.

Field Work:	30%
Assignments:	30%
Participation	5%
Mid-Terms One and Two	20%
Final Examination	15%

<u>Excellent</u>	<u>Good</u>	<u>Satisfactory/Poor</u>	<u>Failing</u>
90-100%: A	80-89%: B	70-79%: C 60-69%: D	Less than 60%:

ATTENDANCE/ENGAGEMENT IN THE ACADEMIC PROGRAM

Attendance in all Semester at Sea classes, including the Field Class, is mandatory. In this course, each unexcused absence will cause you to lose participation points for the class missed. Students must inform their instructors prior to any unanticipated absence and take the initiative to make up missed work in a timely fashion. Instructors must make reasonable efforts to enable students to make up work that must be accomplished under the instructor's supervision (e.g., examinations, laboratories). In the event of a conflict in regard to this policy, individuals may appeal using established CSU procedures.

LEARNING ACCOMMODATIONS

Semester at Sea provides academic accommodations for students with diagnosed learning disabilities, in accordance with ADA guidelines. Students who will need accommodations in a class, should contact ISE to discuss their individual needs. Any accommodation must be discussed in a timely manner prior to implementation.

A memo from the student's home institution verifying the accommodations received on their home campus is required before any accommodation is provided on the ship. Students must submit this verification of accommodations to academic@isevoyages.org as soon as possible, but no later than two months prior to the voyage.

STUDENT CONDUCT CODE

The foundation of a university is truth and knowledge, each of which relies in a fundamental manner upon academic integrity and is diminished significantly by academic misconduct. Academic integrity is conceptualized as doing and taking credit for one's own work. A pervasive attitude promoting academic integrity enhances the sense of community and adds value to the educational process. All within the University are affected by the cooperative commitment to academic integrity. All Semester at Sea courses adhere to this Academic Integrity Policy and Student Conduct Code.

Depending on the nature of the assignment or exam, the faculty member may require a written declaration of the following honor pledge: "I have not given, received, or used any unauthorized assistance on this exam/assignment."

RESERVE BOOKS AND FILMS FOR THE LIBRARY

Electronic material will be posted on the intranet on the ship.
Additional Readings will be given to the library on the ship.