

University of Jordan	
Faculty of Business	
Department	Business Economics
Program	Economics
Module title / number	Financial Economics (1607460)
Pre-requisite	1607150
Module description	<p>Financial Economics (1607460) is a bachelor class. It covers the following topics:</p> <p>The characteristics of debt instruments in the money market and in the capital market. In addition, there will be coverage for the classification of financial intermediaries into depository institutions, contractual savings institutions, and investment-type financial intermediaries. The course contains a study of the determinants of interest rate, its structure, and the theories that explain its behavior. Furthermore, the material of this course contains an examination of the stock market and the foreign exchange market. Specifically, the course will cover their behavior over time, how to measure their performance, the factors that affect them, and the central bank's role in influencing the path of each of them.</p>
Aims	<p>COURSE OBJECTIVES:</p> <p>To equip the student with the knowledge he or she needs to make sense out of the conflicting and contradictory discussions of the financial and economic conditions.</p>
Intended learning outcomes (ILOs)	
Upon the completion of this course, students should be able to achieve the following:	
1- knowledge and understanding	<p>A1) Understand the roles of the financial system in the global economy.</p> <p>A2) Demonstrate the future of the financial system and the money and capital markets</p> <p>A3) Measuring and calculating interest rates and financial asset prices.</p>
2- analytical and thinking skills	<p><i>Students should have the ability to</i></p> <p>B1) Evaluate international monetary and fiscal policies.</p> <p>B2) Demonstrate the relation between economic crises and the performance of financial markets.</p>
Teaching and learning methods	
	There will be 3 lectures per week. Although the lectures cover the vast majority of the module material, students must make use of the textbooks extensively especially the empirical cases presented in the textbook.
Assessment methods	
	<p>Students will be assessed based on the following:</p> <p>First exam 20%</p>

	Second exam      20%																								
	Homework    10%																								
	Final Exam    50%																								
Academic Honesty																									
	<i>All the assignments and work submitted by the student should be his or her own. All actions of academic dishonesty including cheating, plagiarism or helping other students in such actions will be dealt with strictly according to the university regulations.</i>																								
Main textbook(s) and additional readings																									
	Money, Banking, and Financial Markets. By: Lloyd Thomas, 2006																								
Detailed lecture schedule																									
	<table border="1"> <thead> <tr> <th>Week</th> <th>Material</th> <th>Homework and Assignments</th> </tr> </thead> <tbody> <tr> <td>1+2+3</td> <td>Financial Markets and Instruments</td> <td></td> </tr> <tr> <td>4+5</td> <td>Financial Intermediation</td> <td></td> </tr> <tr> <td>6+7+8</td> <td>Interest Rate Determination</td> <td></td> </tr> <tr> <td>9+10+11</td> <td>The Term Structure and Risk Structure of Interest Rates</td> <td></td> </tr> <tr> <td>12+13</td> <td>The Stock Market</td> <td></td> </tr> <tr> <td>14+15</td> <td>The Foreign Exchange Market</td> <td></td> </tr> <tr> <td>16</td> <td>Final exam</td> <td></td> </tr> </tbody> </table>	Week	Material	Homework and Assignments	1+2+3	Financial Markets and Instruments		4+5	Financial Intermediation		6+7+8	Interest Rate Determination		9+10+11	The Term Structure and Risk Structure of Interest Rates		12+13	The Stock Market		14+15	The Foreign Exchange Market		16	Final exam	
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