

## Course E-Syllabus

1	Course title	Financial Markets
2	Course number	1603432
3	Credit hours	3
	Contact hours (theory, practical)	3
4	Prerequisites/corequisites	Principles of Managerial Finance (1603211)
5	Program title	BA Finance
6	Program code	03
7	Awarding institution	The University of Jordan
8	School	Business School
9	Department	Finance
10	Level of course	BA
11	Year of study and semester (s)	2020-2021 1 <sup>st</sup> semester
12	Final Qualification	BA Finance
13	Other department (s) involved in teaching the course	
14	Language of Instruction	English
15	Teaching methodology	✓ Blended      ✓ Online
16	Electronic platform(s)	✓ Moodle    ✓ Microsoft Teams <input type="checkbox"/> Skype    ✓ Zoom ✓ LMSsystem <input type="checkbox"/> Others.....
17	Date of production/revision	6/15/2020

### 18 Course Coordinator:

Name: Dr. Mohammad Tayeh  
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Note: *Please note that this syllabus is a tentative schedule for the course. The procedures, policies, assessments, and calendar are subject to change in the event of extenuating circumstances. Any such changes will be announced in class ("I did not know" will NOT be considered an excuse).*

### 19 Other instructors:

None

## 20 Course Description:

This course provides a comprehensive introduction to financial markets including their types, function and the financial instruments that are traded in such markets, using descriptive, analytical and conceptual tools that constitute the basis of the finance discipline. This course covers three main parts related to financial markets that enhance the knowledge in this field: the first part is the introductory part, which focuses on the role of financial markets in the economy and analyzes the risk and the determinants of interest rates. The second part is about securities markets, which discusses the types of financial markets in details including Money Markets, Bond Markets, Stock Markets, Futures and Options markets. The final part introduces some market microstructure issues related to different type of trading systems (floor versus electronic trading system), order execution systems (i.e. order-driven versus quote driven systems) and market microstructure characteristics, which include liquidity and volatility

## 21 Course aims and outcomes:

### A- Aims:

The aim of this course is to introduce students to different types of financial markets and describe the special function of financial institutions. It highlights the important role of financial markets in the economy and how they benefiting today's economy. It also aim at providing students with an in-depth analysis of interest rates and discussing the factors that determine interest rate levels, as well as providing an explanation to the term structure of interest rate (i.e. yield curve) and the related theories, to be able to make better investment and financing decisions. It aims at providing an understanding of what is going inside financial markets, that is, it describes each securities market, its trading process and its participants, and the securities traded in each one, in addition to Introducing different practical issues of market microstructure such as trading systems and execution systems and highlighting the most important two characteristics; liquidity and volatility.

### B- Intended Learning Outcomes (ILOs):

Upon successful completion of this course, students will be able to:

1. Understand fundamentally the various types of financial markets and why financial markets exist.
2. Describe different theories of how interest rates are determined, understand its role in economy and explain the relationship between the term to maturity, risk, and interest rates.
3. Demonstrate understanding of how the prices of equities are determined and different forms of stock market efficiency.
4. Understand the different types of financial markets; money, bond and equity market instruments, as well as the process of underwriting of different types of financial securities, and gain the knowledge of the operations of primary and secondary markets.
5. Understand the mechanics and conventions of the foreign exchange market and the motivation of different participants in trading foreign currencies.
6. Have a good knowledge of derivatives markets and understanding the characteristics different types of derivative securities traded in those markets.
7. Distinguish between different trading systems as well as differentiate between execution systems.
8. Understand the concept of liquidity and volatility and be able to differentiate between the various aspects of liquidity.
9. Compute present value, real interest rates and duration.
10. Apply different valuation techniques to determine share prices given certain information.
11. Apply the economic aspect of duration concept to calculate the change in the prices of fixed income securities.
12. Possess the ability to analyze the behavior and performance of financial markets in which different participants doing their trade.
13. Quantitatively analyze prices in terms of supply and demand and work intensively and methodically to understand technical issues related to financial markets.
14. Possess the ability to discuss and write about the links between the theories of financial markets and the reports in the financial press, in addition to having the ability to read and discuss financial markets' quotes and prices reports published in financial press.

## 22. Topic Outline and Schedule\*:

Week	Lecture	Topic	Teaching Methods*/platform	Evaluation Methods**	References
1	1.1	Ch.1: Introduction	Microsoft Teams	Quiz, & Exam	Textbook Saunders & Cornett & class note
	1.2	Ch.1: Introduction	Microsoft Teams		Textbook Saunders & Cornett & class note
	1.3	Ch.1: Introduction	Microsoft Teams		Textbook Saunders & Cornett & class note
	1.4	Ch. 2: Determinants of Interest rates	Microsoft Teams	Homework (Q2, Q10, Q15), Quiz, & Exam	Textbook Saunders & Cornett & class note
	1.5	Ch. 2: Determinants of Interest rates	Microsoft Teams		Textbook Saunders & Cornett & class note
2	2.1	Ch. 2: Determinants of Interest rates	Microsoft Teams	Homework (Q2, Q10, Q15), Quiz, & Exam	Textbook Saunders & Cornett & class note
	2.2	Ch. 2: Determinants of Interest rates	Microsoft Teams		Textbook Saunders & Cornett & class note
	2.3	Ch. 3: Interest Rate and Security Valuation	Microsoft Teams	Homework (Q29, Q41), Quiz, & Exam	Textbook Saunders & Cornett & class note
	2.4	Ch. 3: Interest Rate and Security Valuation	Microsoft Teams		Textbook Saunders & Cornett & class note
	2.5	Ch. 3: Interest Rate and Security Valuation	Microsoft Teams		Textbook Saunders & Cornett & class note
3	3.1	Ch. 3: Interest Rate and Security Valuation	Microsoft Teams	Homework (Q1, Q6, Q14), Quiz, & Exam	Textbook Saunders & Cornett & class note
	3.2	Ch. 5: Money Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
	3.3	Ch. 5: Money Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
	3.4	Ch. 5: Money Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
	3.5	Ch. 5: Money Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
4	4.1	Ch. 5: Money Markets	Microsoft Teams	Homework (Q5, Q16, Q20), Quiz, & Exam	Textbook Saunders & Cornett & class note
	4.2	Ch. 5: Money Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
	4.3	Ch. 6: Bond Market	Microsoft Teams		Textbook Saunders & Cornett & class note
	4.4	Ch. 6: Bond Market	Microsoft Teams		Textbook Saunders & Cornett & class note
	4.5	Ch. 6: Bond Market	Microsoft Teams		Textbook Saunders & Cornett & class note
5	5.1	Ch. 6: Bond Market	Microsoft Teams	Quiz, & Exam	Textbook Saunders & Cornett & class note
	5.2	Ch. 6: Bond Market	Microsoft Teams		Textbook Saunders & Cornett & class note
	5.3	Ch. 8: Stock Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
	5.4	Ch. 8: Stock Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
	5.5	Ch. 8: Stock Markets	Microsoft Teams		Textbook Saunders & Cornett & class note
6	6.1	Ch. 8: Stock Markets	Microsoft Teams	Quiz, & Exam	Textbook Saunders & Cornett & class note
	6.2	Ch. 8: Stock Markets	Microsoft Teams		Textbook Saunders & Cornett & class note

7	6.3	Ch. 5: Market Structure	Microsoft Teams	Quiz, & Exam	Textbook Larry Harris & class notes
	6.4	Ch. 5: Market Structure	Microsoft Teams		Textbook Larry Harris & class notes
	6.5	Ch. 6: Order-Driven Markets	Microsoft Teams	Quiz, & Exam	Textbook Larry Harris & class notes
	7.1	Ch. 6: Order-Driven Markets	Microsoft Teams		Textbook Larry Harris & class notes
	7.2	Ch. 6: Order-Driven Markets	Microsoft Teams	Quiz, & Exam	Textbook Larry Harris & class notes
	7.3	Ch. 19: Liquidity	Microsoft Teams		Textbook Larry Harris & class notes
7.4	Ch. 19: Liquidity	Microsoft Teams	Quiz, & Exam	Textbook Larry Harris & class notes	
7.5	Ch. 20: Volatility	Microsoft Teams		Textbook Larry Harris & class notes	
8	<b>Final exam/Check schedule</b>	<b>On campus</b>			

\*Teaching methods include synchronous lecturing/meeting and Asynchronous lecturing/meeting depending on the current discussion of topic's contents.

### 23. Evaluation Methods:

Opportunities to demonstrate achievement of the ILOs are provided through the following assessment methods and requirements:

Evaluation Activity	Mark	Topic(s)	Period (Week)	Platform
Mid-term Exam / Short Exams*	30%	TBA	6 & 10	LMsystem
Course work**	20%	TBA	12	Moodle
Final Exam	50 %	TBA	16	On campus

\*Mid-term exam if the exams are in the campus, short exams in case of online exams.

\*\* Course works include two or more of the following; participation, online quizzes, oral quizzes, assignments, projects, or any type of assessment allowed by the regulations.

### 24. Course Requirements (e.g: students should have a computer, internet connection, webcam, account on a specific software/platform...etc):

Students should have a computer, internet connection, webcam, microphone and accounts on the electronic platforms used in this module.

### 25. Course Policies:

A- Attendance policies: Students are not allowed to miss more than 15% of the classes during the semester. Failing to meet this requirement will be dealt with according to the university disciplinary rules.

B- Absences from exams and submitting assignments on time: **No Make Up Exams** will be held if the student failed in providing approved absence form signed by the dean or the Assistant Dean for Students affairs.

C- Health and safety procedures: Students must follow the University of Jordan health instruction.

D- Honesty policy regarding cheating, plagiarism, misbehavior: Cheating or Plagiarism will be treated according to the University's rules and regulations.

E- Grading policy: According to The university grading requirements

F- Available university services that support achievement in the course: Platforms

## 26. References:

### A- Required book(s), assigned reading and audio-visuals:

- Anthony Saunders & Marcia Millon Cornett, **Financial Markets and Institutions**, 6th edition, McGraw Hill. This book is available at the Academic Center for College Textbooks.
- Larry Harris, **Trading and Exchanges: Market Microstructure for Practitioners**, 1st edition, Oxford University press, Inc., New York.

### B- Recommended books, materials and media:

#### Other References:

- Jeff Madura, **Financial Institutions and Markets**, 9th edition, South Western.
- Fabozzi, Frank J., Franco Modigliani, Frank J. Jones, and Michael G. Ferri. **Foundations of Financial Markets and Institutions**, 4th ed. Prentice Hall, 2010.

The student is also encouraged to read the *Wall Street Journal* and *Business Week* magazine for real life examples about some of the concepts taught in this class.

*Article Papers will be assigned during the course.*

## 27. Additional information:

None

Name of Course Coordinator: Dr. Mohammad Tayeh    Signature \_\_\_\_\_    Date: 10/10/2020

Head of Curriculum Committee/Department: ----- Signature: -----

Head of Department: ----- Signature: -----

Head of Curriculum Committee/Faculty: ----- Signature: -----

Dean: ----- Signature: -----