



Bachelor's courses School of Business and Economics

VU University Amsterdam - Student- & Onderwijszaken - Exchange programme Vrije Universiteit - 2018-2019

Financial Markets and Institutions

Course code	E_EBE3_FMI ()
Period	Period 4
Credits	6.0
Language of tuition	English
Faculty	School of Business and Economics
Coordinator	dr. J. Wrampelmeyer
Examinator	dr. J. Wrampelmeyer
Teaching method(s)	Lecture, Seminar, Instruction course
Level	300

Course objective

In the course students develop a deep understanding of financial markets, bank supervision and central banking (Bridging Theory and Practice - knowledge). You learn to analyze real-life applications such as recent central bank and regulatory policies using the concepts from the literature (Bridging Theory and Practice - Application). You solve problem sets (Academic and Research Skills) and form teams to work on case studies (Social Professional Skills).

After the course, you can:

- explain how financial markets and institutions affect everyday life as well as how they create value and why this is the case;
- state stylized facts of the term structure of interest rates;
- describe the structure of the banking sector and banking supervision;
- explain the main risks involved in banking and the most important tools to manage these risk;
- explain the need for regulation of the financial system;
- describe approaches to managing systemic risk and recent developments in the regulatory framework;
- define the principles of monetary policy;
- interpret decisions by central banks on monetary policy and how they affect the financial system and the real economy.

Course content

Financial markets are playing an important role in a modern economy. This course gives students an overview on how the financial system operates and where its weaknesses lie. It is an important building block for understanding our economy and students can connect micro and macro theories to the concepts developed in this course. The course also provides the necessary background for a future career in a financial institution or policy environment.

Form of tuition

Lectures.
Tutorials.

Type of assessment

Written exam – Individual assessment.
Interim Assignments – Group assessment.

Course reading

- Mishkin, Matthews and Guiliadori (2013) Economics of Money, Banking and Financial Markets: European edition, 1st European edition, Pearson.

ISBN 978-0273731801 (a second edition may be available by 2019)

- Additional readings will be announced on Canvas.

Entry requirements

Finance I or equivalent.

Recommended background knowledge

Finance I, Finance II and Corporate Finance.

Remarks

It is not allowed to follow this course if you already earned credits (ECs) for the course Finance, Banking & Insurance from the old curriculum.