

DUKE UNIVERSITY, Department of Economics  
**Economics 353 – Financial Institutions and Markets**  
Professor Lawrence Kreicher, Spring 2019  
Social Sciences 119; Tuesdays & Thursdays, 3:05PM–4:20PM

## SYLLABUS/CLASS SCHEDULE

### **TWO REQUIRED TEXTS:**

Frederic Mishkin & Stanley Eakins, *Financial Markets and Institutions*, 8ed, Pearson, 2015.

Meir Kohn, *Financial Institutions and Markets*, 2ed, Oxford University Press, 2004.

### **HELPFUL READING:**

*The Wall Street Journal*, *The Economist*, *Barron's*, the *Financial Times*.

### **COURSE FORMAT:**

In advance of each class, you should read the appropriate sections in our texts and complete the corresponding assignment (see below). At the beginning of each class, I will field general questions and then I will randomly call on students by name to present their answers to individual assigned questions. The qualities of **1)** your answers and **2)** your voluntary contributions to class discussion will both contribute significantly to your grade.

### **ASSIGNMENTS:**

You will find the class assignments on Sakai. For each assignment there will be sections to read in our texts, other required readings, and a list of questions to be answered before the corresponding class session. You will not need to submit your answers in writing; however, most students find it convenient to draft answers and then refer to their notes when participating in the class discussion. Please note that **some assignment questions will require calculators.**

### **ABSENCE FROM CLASS:**

If you need to miss class, you must contact me in person or via email before class. While I try to assure that each student has a fair number of opportunities to lead the class discussion, an excessive number of absences will unavoidably affect your participation score.

There will be **no makeup for the midterm exam**. If you miss the midterm exam due to a documented illness or emergency, at the end of the term I will calculate a “plug” midterm exam score that will preserve your relative position on the class curve.

<b>GRADING:</b>	Class Discussion	25%
	Midterm Exam	30%
	Final Examination	45%

**NOTE:** Calculators are required for exams, and one sheet of paper (both sides) with formulas and other notes will be allowed for exams.

## **MY OFFICE & OFFICE HOURS:**

Social Sciences 329H; Tues/Thurs: 12:30–2:30PM, Wed: 10AM–Noon.

## **HONOR PRINCIPLE:**

All students are expected to abide by the principals of academic integrity articulated in the Duke Community Standard. Academic dishonesty of any kind in our course is not acceptable; in particular, all work on exams must be your own.

## **ACCOMMODATIONS:**

Any student who requires an academic accommodation for a disability must speak to me in person and provide me with official University documentation *no later than the end of the second week of the term*. Any discussions will remain confidential.

If you have a religious, job-related, extracurricular, or other personal activity that conflicts with your participation in our course, please communicate with me as soon as possible and *no later than the end of the second week of the term* to discuss an appropriate accommodation.

## **TENTATIVE CLASS SCHEDULE:**

<b><u>Date</u></b>	<b><u>Topic</u></b>
Thu, 1/10	Introductory session
Tue, 1/15	Lending, payments, and risk-trading The technology of the financial system
Thu, 1/17	Efficiency, stability, & government
Tue, 1/22	Interest rates, exchange rates, & security prices
<b>Thu, 1/24</b>	<b>NO CLASS</b>
Tue, 1/29	Understanding financial intermediaries
Thu, 1/31	What is a bank?
Tue, 2/5	The banking industry
Thu, 2/7	Payments and foreign exchange
Tue, 2/12	Insurance
Thu, 2/14	Pension funds and mutual funds
<b>Tue, 2/19</b>	<b>MID-TERM EXAM (in class)</b>

## **TENTATIVE CLASS SCHEDULE (con't):**

<b><u>Date</u></b>	<b><u>Topic</u></b>
<b>Thu, 2/21</b>	<b>NO CLASS</b>
Tue, 2/26	Understanding securities markets
Thu, 2/28	The market for government securities
Tue, 3/5	The mortgage market
<b>Thu, 3/7; Tue, 3/12; Thu, 3/14</b>	<b>-----&gt; NO CLASS, Spring Break</b>
Tue, 3/19	Debt markets
Thu, 3/21	Equity markets
Tue, 3/26	Derivatives, Part I
<b>Thu, 3/28</b>	<b>NO CLASS</b>
Tue, 4/2	Derivatives. Part II
Thu, 4/4	Exchanges, trading systems, and infrastructure
Tue, 4/9	Managing liquidity and risk
<b>Thu, 4/11</b>	<b>NO CLASS</b>
Tue, 4/16	Managing liquidity and risk, Part II
Thu, 4/18	Bank safety and regulation
Tue, 4/23	Security markets stability and regulation
<b>Fri, 5/3</b>	<b>2–5PM, Final Exam, room to be announced</b>