University of Regina

Bus 498 – Capital Markets & Financial Institutions
Sep – Dec, 2017

Instructor: Darryl J. Yasinowski, CFA, CMT, FCSI  P: 306.533.5476
Office: by appointment only  E: dyasinowski@uregina.ca

Class Schedule:

<table>
<thead>
<tr>
<th>Class</th>
<th>Section</th>
<th>Day</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus 498</td>
<td>001</td>
<td>M/W</td>
<td>1:00-2:15pm</td>
<td>Ed 558</td>
</tr>
</tbody>
</table>

Prerequisite: BUS 395

Text Book:


Course Objective:

To examine the way in which capital markets function and the pivotal role played by financial institutions such as deposit taking institutions, insurance companies, investment dealers, pension funds, mutual funds and hedge funds. Particular emphasis is placed on how each institution manages financial risk and the risk-return tradeoffs available to industry participants including private investors. The course is concluded with a review of the Canadian regulatory platform and the roles of each including federal, provincial and Self Regulating bodies.

Teaching Methods:

Course material will be presented primarily in a lecture format. The lectures will concentrate on developing the key concepts and providing real-world applications. As class participation is strongly encouraged, please feel free to ask questions and/or raise discussion points during the lectures.

Always read the relevant text chapters before you come to class. This will help you to better understand the lectures. Students are also strongly encouraged to keep current on financial and business news. The Globe and Mail, National Post, Barrons or Investor’s Business Daily are excellent sources for such information.

Evaluation:

- Exam 1 (Wednesday, Oct 11th in class)  20%
- Exam 2 (Wednesday, Nov 15th in class)  30%
- Final Exam (Dec 20th, 2017, 9am to 12 noon)  50%

Note: Exams are comprehensive in nature, meaning they cover material up to the date of each exam.
Student Responsibilities:

1. Every effort should be made by you to ensure you write the midterm exams during their scheduled times. If a situation arises that makes it absolutely impossible for you to do this, you must let me know in advance (preferably as far in advance as possible).

In the case of illness, you must provide me with a physician’s certificate clearly stating that the illness prevented you from being able to write the exam. If you must miss a midterm due to illness or other extenuating circumstance, no make-up exam will be given. Instead, the weight of the midterm will be transferred to the final exam.

However, this weight transfer will not happen automatically. I will only transfer the weight if you provide me with a written request to do so (i.e. if you do not write a midterm, and do not provide me with a written request to transfer the weight of the midterm to the final, you will automatically receive a grade of zero on the midterm). This written request must explain the reason why you are unable to write the midterm, and must state that you wish to transfer the weight of the midterm to your final.

2. Every effort should be made to ensure you are available to write the Final Exam during its scheduled time. If you are absolutely unable to write the Final during its scheduled time, you must see the general office in the faculty in which you are enrolled and formally request a deferred exam. Deferred exams will only be granted in cases of exceptional circumstances (i.e. serious illness of the student, compassionate family reasons, etc.).

Deferred exams will not be granted for any factors that are within the control of the student - i.e. travel plans, work conflicts, timetabling conflicts with exams in other courses, etc. Please adjust your schedule accordingly. Where a deferred exam is granted, academic policies state that, for the Fall semester, the deferred exams must be written by January 31.

3. Regular class attendance is expected. If you must miss a class, it is your responsibility to get notes, assignments, etc., from a classmate.

4. Familiarize yourself with the University's general Academic Regulations (as explained in the Calendar), particularly those that pertain to academic misconduct.

5. If there is any student in this course who, because of a disability, may have a need for accommodations, please come and discuss this with me as early as possible, as well as contacting the Special Needs Services at 585-4631.

6. If you want to talk to me outside of class-time, please plan-ahead. Last-minute (ex. just before an exam) requests by students cannot always be met, so planning-ahead is important. Voice-mail messages left after-hours (i.e. on weekends, and after 4:30 PM on weekdays) may not be returned until the next working (i.e. Mon – Fri) day.
Schedule of topics:

A. Introduction

Chapter 1 Why are Financial Intermediaries Special
Chapter 2 Deposit Taking Institutions
Chapter 3 Finance Companies
Chapter 4 Securities Firms and Investment Banks
Chapter 5 Mutual Funds, Hedge Funds and Pension Funds
Chapter 6 Insurance Companies

B. Measuring and Monitoring Financial Risk

Chapter 7 Risks of Financial Institutions
Chapter 8 Interest Rate Risk Part 1
Chapter 9 Interest Rate Risk Part 2
Chapter 10 Credit Risk: Individual Loans
Chapter 11 Credit Risk: Loan Portfolio and Concentration Risk
Chapter 12 Liquidity Risk
Chapter 13 Foreign Exchange Risk
Chapter 15 Market Risk

C. Managing Financial Risk (pending time)

Chapter 18 Liability and Liquidity Management (Select sections)
Chapter 20 Capital Adequacy (Select sections)
Chapter 23 Options, Caps, Floors and Collars (Select sections)
Chapter 24 SWAPs (Select sections)

The course outline provided is a SUGGESTED outline ONLY. The instructor reserves the right to alter (add, delete, modify) the course material and/or the order and extent of presentation and depth of coverage.