Course: Financial Markets and Institutions
CRN: FINA3312
Semester: Fall 2020

Professor: Dimitrios Koutmos
Office: ALLI #333
Office hours: Tuesdays and Thursdays 11:50AM - 2:50PM; 4:05PM - 5:00PM; or by appointment
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Course Description: This course covers topics within financial institutions and markets, banking and regulations, monetary policy, and the role of money and the emergence of blockchain-based cryptocurrencies, respectively. It discusses the quantitative tools that are used in the banking industry to monitor and assess the risk characteristics of financial institutions, and, their strengths and weaknesses from a regulatory point of view. The topics we will cover include some of the following: (a) the evolution of the banking industry and the "too-big-to-fail" conundrum; (b) regulatory risk measures, such as value-at-risk (VaR) and downside betas; (c) the role of hedge funds and how to estimate and assess their systematic risks for investors and society at large; (d) the role of money in financial markets and the new emergence of blockchain-based cryptocurrencies; (e) the use of data analytics and empirical methods in estimating the risk characteristics of financial institutions across macroeconomic regimes and across industries.

Learning Objectives: By the end of the course, students will be able to:

- Demonstrate an understanding of the issues that are important in financial markets, institutions and banking;
- Be familiar with where to obtain empirical data on financial institutions and the macroeconomy;
- Understand the various quantitative methods and analytical approaches that are used by regulators and practitioners in the banking industry;
- Identify the different types of hedge funds that exist and be able to analyze their risk characteristics and potential impact on society at large;
- Understand the role of money and its function in society;
- Decipher the reasons for why cryptocurrencies are emerging as a potentially new asset class and appreciate their possible strengths and weaknesses;
- Examine how a blockchain ecosystem functions and what its potential application is in other aspects of finance, banking and society;
- Be proficient in navigating the Federal Reserve's website and being able to download specific data series based on the empirical problems at hand;
- Sharpen analytical skills (both quantitative and qualitative) in examining pressing issues such as the "too-big-to-fail" conundrum that regulators and other market participants face;
- Identify strengths and weaknesses in the approaches regulators take when assessing financial institutions such as banks or hedge funds.
Course Requirements:

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<th>COMPONENT</th>
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<tr>
<td>Exam 1</td>
<td>35%</td>
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<td>Exam 2</td>
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<td>Participation</td>
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A letter grade will be determined based on the percentage earned of total points possible, as follows: A: 90-100%; B: 80-89%; C: 70-79%; D: 60-69%; F: 0-59%

Course Layout: This course will consist of lecture and group-based interactive work. I expect everyone to participate since participation and asking questions is an active form of learning that will provide a foundation for the concepts and topics we are discussing. Questions are strongly encouraged in class. This course will rely on news articles, class notes and academic articles that I provide, market data which I will provide and show you how to obtain, and various resources from the Federal Reserve website and the US Department of Treasury that I have aggregated for the course. All notes, articles and data series will be provided to students.

Course Materials:

- Class notes, articles and data that I provide;
- We will be using Blackboard [https://bb9.tamucc.edu/](https://bb9.tamucc.edu/);
- Students will need their laptops in class for data analysis and group work.

Academic Integrity: University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as falsification, forgery, or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.)

Dropping a Class: I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with your academic advisor, the Financial Aid Office, and me, before you decide to drop this course. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation will not automatically result in your being dropped from the class.

Professional Classroom Behavior: Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.
Grade Appeals: As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Dean's office in the college in which the course is taught or the Office of the Provost. Please note that an appeal prompts re-grading of all exercises and exams based on points allocated to each item per the syllabus. Also, the grade appeal is subject to time limitation (for example, if no question or appeal to earlier assignments and exams' grades, then grade appeal applies only to the final exam, project, and assignment turned in last at end of semester).

Disabilities Accommodations: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall 116. If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Statement of Civility: Texas A&M University-Corpus Christi has a diverse student population that represents the population of the state. Our goal is to provide you with a high quality educational experience that is free from repression. You are responsible for following the rules of the University, city, state and federal government. We expect that you will behave in a manner that is dignified, respectful and courteous to all people, regardless of sex, ethnic/racial origin, religious background, sexual orientation or disability. Behaviors that infringe on the rights of another individual will not be tolerated.

Statement of Academic Continuity: In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus; this course would continue through the use of Blackboard and/or email. In addition, the syllabus and class activities may be modified to allow continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus.

Disability and Veterans Statements: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Disability Services Office at (361) 825-5816 or visit the office in CH 116. If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.