

**CBN COLLABORATIVE POSTGRADUATE PROGRAMME**  
**DEPARTMENT OF ECONOMICS, UNIVERSITY OF NIGERIA NSUKKA**  
**FINANCIAL INSTITUTIONS AND MARKETS**  
**MODULE SPECIFICATION**

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1. **Module Title:** Financial Institutions and Markets
2. **Module Code:** ECO 512
3. **Number of credits:** 3
4. **Level:** MSc.
5. **Semester:** 2<sup>ND</sup>
6. **Pre-requisites for admission to the module (if any)**  
The pre-requisite is that the student has a satisfactory knowledge of economic theory and quantitative techniques.
7. **Module Coordinator**
8. **Aims**  
Upon completion of the course, students are expected to:
  1. have a thorough understanding of fundamental concepts of finance, financial markets and market participants, valuation techniques of financial instruments, and working knowledge of portfolio management;
  2. acquire the skills necessary to describe and apply financial concepts, theories, and tools, and to evaluate the role of technology, legal, ethical and economic environment as it relates to financial institutions;
  3. evaluate the economic environment and the impact of governmental economic policies on consumers and financial institutions;
  4. cultivate a critical perspective to issues pertaining to pricing and hedging with options on individual stocks and indexes, to examine forwards and futures contracts for equity indexes, commodities, and currencies.
9. **Summary of Content**  
The course is about the development and functioning of financial markets. The aim is to acquaint students with the role of financial markets in both local and global economy. Topics covered include: Development Of Money And Financial Markets and Financial Flows Analysis; Intermediation; Economic Roles of The Different Financial Institutions; Determination of Interest Rates and Yield Curve Analysis in Financial Markets; Exchange Rates and Money Supply; Sources of Short-Term, Medium-Term and Long-Term Finance; Sources of Overseas Borrowing; Interest Rate And Exchange Rate Management; Performance of The Financial System; International Banking Regulation and Supervision; Trade Finance and Trade Facilitation Agencies; Country Risks Analysis; and Geographic Focus of Banking, Banking Risk Management, Credit Rationing Model, and the Banking (sub-Prime) Crises.

## 10. Module Intended Learning Outcomes (MILOs)

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

No.	Milos	Weighting (%)
1	Thoroughly understand the nature, functions and structure of financial markets and/or institutions.	Refer to no.15
2	Describe the types of equity securities that companies can use to raise equity capital and how these securities can be listed and traded on the Stock Exchange Market.	
3	Assess and test the theoretical concepts underlying money and capital markets	
4	Describe different theories of how interest rates are determined and explain the relationship between the term to maturity, risk, and interest rates.	
5	Critically evaluate the historical development of regulations and supervision of financial markets for both bank based and market based systems.	
6	Develop an understanding of the management of financial institutions, including the techniques used by managers of financial institutions to measure and manage risks.	

## 11. Teaching and Learning Activities (TLAs)

MILO No.	TLAs	Functions	Hours/Week
1,2,3,4,5,6,	Lectures and materials	Course instructors will introduce, with appropriate audio-visual materials, the critical concepts and theories through lectures.	3 hours
1,2,3,4,5,6	Tutorials (Group Discussions, Quizzes, Presentations, peer review)	Tutorial sessions will introduce additional learning support with activities such as case studies, group discussion, presentations, peer review, quizzes. Emphasis is placed on in-depth learning of the theories, their relevance and applications to Developing economies.	1 hour

## 12. Assessments Tasks/Activities

MILO No.	Type of assessment tasks/activities	Weighting (if applicable)	Remarks
1,2,3,4,5,6	Examination	60%	

	Students are required to participate in a three-hour examination to test their acquisitions of concepts, theories and knowledge.		
1,2,3,4,5,6	<b>Written Test/Quizzes</b> 1-hour written test/Pop Quizzes	20%	Week 7/On Going basis
1,2,3,4,5,6	<b>Coursework Paper</b> Students will hand in a coursework research paper on any of the six topics as their individual assignment.	20%	Students must hand in their coursework paper in Week10

### 13. Attendance Requirements

Students are required to attend all tutorials and lectures and laboratory sessions (if any). Students must have at least 75% attendance to qualify for the examination.

### 14. Contribution to Programme Learning Outcomes

SN	PILOs	MILO No
1	develop in the students a thorough knowledge and applied competence in the fundamentals of Economics.	1, 2, 3, 4, 5, 6
2	develop in the students an ability to critically appraise alternative systems of Economics.	3, 4, 5
3	equip students with economic theories that will lead to expertise in Economics	3, 4, 6
4	provide training to qualified graduates of economics and to other individuals whose prior training or experience has made them capable of playing a leadership role in the economics profession	1, 2, 3, 4, 5, 6
5	equip students with the ability to analyse and undertake courses of action to improve organisational performance using financial, operational and strategic perspectives and frameworks learned in the coursework and experience	1, 4, 5, 6
6	prepare students for managerial positions in the industries, as well as other related organisations	3, 5, 6
7	prepare participants for positions as consultants, advocates, analysts, or directly as policy makers in the public and private sector	1, 2, 3, 4, 5, 6
8	Inculcate the requisite intellectual/conceptual foundations that will permit meaningful participation in the discussion or resolution of the problems which confront the Economics discipline in the contemporary	1, 2, 3, 4, 5, 6

	world	
<b>9</b>	encourage research into problems which impede the maximum contribution of Economics to national development and well-being of the people	<b>2, 3, 4, 5, 6</b>
<b>10</b>	develop skill in logical reasoning and critical analysis and improve the capacity students in formulating sound economic policies and strategies	<b>2, 3, 4, 5, 6</b>

### Grading of Student Achievement

Letter Grade	% Mark	Grade Definitions	Remarks
A	70 and above	<b>Excellent</b>	Demonstrates excellent understanding of the subject matters.
B	60-69	<b>Good</b>	Demonstrates a good understanding of the subject matters, though missing some of the points.
C	50-59	<b>Adequate</b>	Demonstrates an adequate understanding of the core of the subject matters and can only recall limited content
F	<50%	<b>Fail</b>	Demonstrates a wrong understanding of the subject matter.

### 15. Resources

#### Suggested primary texts

SN	Name of Author(s)	Year of Publication	Title of Book	Edition	Publisher's Name	ISBN
1	Madura, J.	2015	Financial Markets and Institutions	12 <sup>th</sup> Edition	Cengage Learning	9781337099745
2	Viney, C., & Phillips, P.	2012	Financial Institutions, Instruments and Markets	8 <sup>th</sup> Edition	McGraw-Hill	9781760422981
3	Mishkin, F.S., Kent, M., & Massimo, G.	2011	The Economics of Money, Banking and Financial Markets	11 <sup>th</sup> Edition	Pearson Education	9780133836790

#### Suggested secondary texts

SN	Name of Author(s)	Year of Publication	Title of Book	Edition	Publisher's Name	ISBN
1	Howells, P., & Bain, K.	2014	The Economics of Money, Banking and Finance.	4 <sup>th</sup> Edition	Prentice Hall/ Financial Times	9780273710394

2	Saunders, A., Cornnet, M. M	2019	Financial Markets and Institutions Management	7 <sup>th</sup> Edition	McGraw-Hill/Irwin	9781259919718
3	Fabozzi, F.J., Modigliani, F.P., & Jones, J.F.	2010	Foundations of Financial Markets and Institutions	4 <sup>th</sup> Edition	Prentice Hall	9780133289800
4	Howells, P., & Bain, K.	2007	Financial Markets and Institutions	5 <sup>th</sup> Edition	Financial Times/Prentice Hall	9780273709190
5	Arnold, G.	2011	Modern Financial Markets & Institutions: a practical perspective.	1 <sup>st</sup> Edition	Prentice Hall	9780273730354
6	Pilbeam, K.,	2018	Finance and Financial Markets	4 <sup>th</sup> Edition	Palgrave Macmillan	9780230233218
7	Kidwell, D.S, Blackwell, D.W., & Whidbee, D.A.	2016	Financial Institutions, Markets, and Money	12 <sup>th</sup>	Wiley Publishers	9780030076282

### Suggested Journals

Journal of Financial Markets  
International Journal of Financial Markets and Derivatives  
Journal of Capital Markets Studies  
Journal of International Financial Markets, Institutions & Money  
Financial Markets Institutions and Instruments  
Economics and Finance Journals  
CBN Journal of Economics and Financial Review  
CBN Bullion  
Finance Journal  
Nigerian Journal of Economic and Social Studies  
African Review of Money, Finance and Banking  
International Research Journal of Finance and Economics  
*Journal of Emerging Market Finance*

### Suggested Articles

Bick, A., 2004, "The Mathematics of the Portfolio Frontier: A Geometry-Based Approach," *The Quarterly Review of Economics and Finance*, 44, 337-361.

Black, F., 1972, "Capital Market Equilibrium with Restricted Borrowing," *Journal of Business*, 45, 444-455.

Black, F., Jensen, M. C. and Scholes, M, 1972, "The Capital Asset Pricing Model: Some Empirical Tests," in *Studies in the Theory of Capital Markets*, Jensen, M. C., editor, Praeger Publishers.

Colwell, D., Feldman, D. and Hu, W., 2015, “Non-Transferable Non-Hedgeable Executive Stock Option Pricing,” with D. Colwell and W. Hu, *Journal of Economic Dynamics and Control*, forthcoming. DOI: 10.1016/j.jedc.2015.02.002, <http://ssrn.com/abstract=2446385>, <http://dx.doi.org/10.1016/j.jedc.2015.02.002>.

Fama, E. F. and Macbeth, J. D., 1973, “Risk, Return, and Equilibrium – Empirical Tests,” *Journal of Political Economy*, 81, 607-636.

Fama, E. F. and French, K. R., 1992, “The Cross-Section of Expected Stock Returns,” *The Journal of Finance*, 67, 427-465.

### **Facilities Requirements**

A lecture room with appropriate teaching and laboratory (if any) facilities

