

**CBN COLLABORATIVE POSTGRADUATE PROGRAMME  
DEPARTMENT OF ECONOMICS, UNIVERSITY OF NIGERIA NSUKKA  
WORK PLAN**

**NAME OF LECTURER:**

**COURSE: ECO 512 FINANCIAL INSTITUTIONS AND MARKETS**

<b>STUDY WEEK</b>	<b>TOPIC SUB-TOPIC</b>	<b>RESULTS LEARNING</b>	<b>TIME Hrs</b>	<b>METHODS</b>	<b>Suggested Videos</b>
1 - 3	<p><b>1.0 Introduction to the financial system</b></p> <ol style="list-style-type: none"> <li>1. The financial sector: role of financial markets</li> <li>2. Securities Traded in Financial Markets</li> <li>3. The role of financial institutions: why are they special?</li> <li>4. Financial intermediaries</li> <li>5. Credit crisis and the financial institutions</li> </ol>	<p>The student can:</p> <ul style="list-style-type: none"> <li>✓ Discuss how the financial sector supports the real economy</li> <li>✓ Describe the types of financial markets that facilitate the flow of funds,</li> <li>✓ Describe the types of securities traded within financial markets,</li> <li>✓ Describe the role of financial institutions within financial markets</li> <li>✓ Discuss the concept of intermediation and its many forms</li> </ul>	9	<ul style="list-style-type: none"> <li>✓ The students will learn through a combination of face – to - face contact and guided study.</li> <li>✓ Guided study will include text readings and the use of a wide range Internet based</li> </ul>	There are many good videos available on the Internet.

		<ul style="list-style-type: none"> <li>✓ Explain how financial institutions were exposed to the credit crisis.</li> </ul>		<p>resources.</p> <ul style="list-style-type: none"> <li>✓ <b>Lectures and tutorials</b></li> </ul>	
4 - 5	<p><b>2.0 Money and Money Markets</b></p> <p>2.1 Roles of Banks and monetary authorities in the macro-economy</p> <p>2.2 Money supply: sources of short-term, medium-term, and long-term finance; sources of overseas borrowing</p> <p>2.3 Money Market Securities</p> <p>2.4 Institutional Use of Money Markets</p> <p>2.5 Valuation of Money Market Securities</p>	<p>The student can:</p> <ul style="list-style-type: none"> <li>✓ Discuss the role of banks and monetary authorities in the macroeconomy</li> <li>✓ Describe the different money market instruments available</li> <li>✓ Explain how money markets are used by institutional investors.</li> <li>✓ Explain the valuation and risk of money market securities.</li> </ul>	6	<ul style="list-style-type: none"> <li>✓ The students will learn through a combination of face – to – face contact and guided study.</li> <li>✓ Guided study will include text readings and the use of a wide range Internet based resources.</li> <li>✓ <b>Lectures and tutorials</b></li> </ul>	<p>There are many good videos available on the Internet.</p>

<p>6 - 7</p>	<p><b>3.0 Interest Rates and Bond Markets</b></p> <p>3.1 Factors in Interest Rate Determination</p> <p>3.2 Loanable Funds Theory</p> <p>3.3 Liquidity Preference Theory of Interest Rate Determination</p> <p>3.4 Maturity and Pricing</p> <p>3.5 The Bond Market: valuation of bonds by calculating bond prices and returns</p> <p>3.6 Term Structure of Interest Rates</p> <p>3.7 Simple Numeric Problems on 'Yields' and 'Interest'</p>	<ul style="list-style-type: none"> <li>✓ Apply the loanable funds theory to explain why interest rates change</li> <li>✓ Identify the most relevant factors that affect interest rate movements.</li> <li>✓ Explain how to forecast interest rates.</li> <li>✓ Discuss how characteristics of debt securities cause their yields to vary</li> <li>✓ Demonstrate how to estimate the appropriate yield for any particular debt security</li> <li>✓ Explain the theories behind the term structure of interest rates (relationship between the term to maturity and the yield of</li> </ul>	<p>6</p>	<ul style="list-style-type: none"> <li>✓ The students will learn through a combination of face – to – face contact and guided study.</li> <li>✓ Guided study will include text readings and the use of a wide range Internet based resources.</li> <li>✓ Lectures and <b>tutorials</b></li> </ul>	
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		securities).			
		<ul style="list-style-type: none"> <li>✓ Provide a background on bonds and describe the different types of bonds and their characteristics.</li> </ul>			
<b>8 - 9</b>	<p><b>4.0 Equity Markets</b></p> <p><b>4.1</b> Structure of equity markets, and the role of agents and instruments</p> <p><b>4.2</b> Participation in stock markets: initial public offering; process of going public</p> <p><b>4.3</b> Stock Offerings and Repurchases</p> <p><b>4.4</b> Stock Exchanges</p>	<ul style="list-style-type: none"> <li>✓ Discuss the structure of equity market, and the role of agents and instrument</li> <li>✓ Describe investor participation in the stock markets</li> <li>✓ Explain the process of initial public offerings, and secondary offerings</li> <li>✓ Explain how the stock market is used to monitor and control firms</li> <li>✓ Describe the basis of stock pricing.</li> </ul>	6	<ul style="list-style-type: none"> <li>✓ The students will learn through a combination of face – to - face contact and guided study.</li> <li>✓ Guided study will include text readings and the use of a wide range Internet based resources.</li> <li>✓ Lectures and</li> </ul>	

				<b>tutorials</b>	
<b>10 - 11</b>	<b>5.0 Foreign Exchange Market and Derivatives</b> 5.1 Foreign Exchange Market and International Trade 5.2 Types of Exchange Rate Systems 5.3 Factors Affecting Exchange Rate 5.4 Forecasting Exchange Rate 5.5 Foreign Exchange Derivatives: <ul style="list-style-type: none"> <li>• Exchange rate formation in the spot and forward markets</li> <li>• Basics of arbitrage in the foreign exchange market</li> </ul>	✓ Provide a background on foreign exchange markets and explain how various factors affect exchange rates.  ✓ Describe the characteristics of foreign exchange markets, identify the different currency regimes, and measure the gains/losses from engaging in speculative and arbitrage activities.  ✓ Explain how to forecast exchange rates and describe the use of foreign exchange rate derivatives  ✓ Calculate common measures of foreign exchange risk	6	✓ The students will learn through a combination of face – to – face contact and guided study.  ✓ Guided study will include text readings and the use of a wide range Internet based resources.  ✓ <b>Lectures and tutorials</b>	There are numerous videos available on the Internet.
<b>12 - 13</b>	<b>6.0 Banking and the Management of Financial Institutions</b> 6.1 Commercial Bank Operations: Market structure of commercial banks; Bank sources of funds; Uses of bank	✓ Describe the market structure of commercial banks.	6	✓ The students will learn through a combination	

	<p>funds; Off-balance sheet activities; International banking</p> <p>6.2 Bank Regulation: Regulatory structure; Regulation of bank operations; Regulation of capital</p> <p>6.3 How Regulators monitor Banks</p> <p>6.4 Government Rescue of Failing Banks.</p> <p>6.5 Bank Management: Bank goals, strategy, and governance.</p> <p>6.6 Managing Liquidity, Interest, Credit and Market Risks.</p>	<ul style="list-style-type: none"> <li>✓ Explain the most common sources and uses of funds for commercial banks</li> <li>✓ Evaluate the typical off-balance sheet activities for commercial banks</li> <li>✓ Discuss the key regulations imposed on commercial banks</li> <li>✓ Explain capital requirements of banks</li> <li>✓ Explain how regulators monitor banks</li> <li>✓ Critically assess the issues regarding government rescue of failed banks, and</li> <li>✓ Discuss the underlying goal, strategy, and governance of banks</li> </ul>		<p>of face – to - face contact and guided study.</p> <ul style="list-style-type: none"> <li>✓ Guided study will include text readings and the use of a wide range Internet based resources.</li> <li>✓ Lectures and <b>tutorials</b></li> </ul>	
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		<ul style="list-style-type: none"> <li>✓ Explain how banks manage liquidity,</li> <li>✓ Explain how banks manage interest rate and credit risks</li> </ul>			
	<b>STUDY WEEKS (WEEK 1 – 13)</b>				
<b>14.</b>	<b>REVISION WEEK</b>				
<b>15.</b>	<b>FINAL EXAMINATION</b>				

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**Lecturer:**

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**PROGRAMME LEADER**

