

Credit Hours: 3

Contact Hours: This is a 3-credit course, offered in accelerated format. This means that 16 weeks of material is covered in 8 weeks. The exact number of hours per week that you can expect to spend on each course will vary based upon the weekly coursework, as well as your study style and preferences. You should plan to spend 14-20 hours per week in each course reading material, interacting on the discussion boards, writing papers, completing projects, and doing research.

Faculty Information: Faculty contact information and office hours can be found on the faculty profile page.

COURSE DESCRIPTION AND OUTCOMES

Course Description:

This course presents an overview of the roles played by the various markets, institutions, and financial authorities. Specific topics include an introduction to the U.S. financial system, as well as the supply of and demand for loan funds, securities, and obligations. The policy effects of financial institutions and markets upon various sectors of the economy are also emphasized.

In this course, you will gain extensive knowledge of everyday happenings in the financial sector of the economy. You will learn about the United States' financial system including topics such as determinants of interest and its term structure, the Federal Reserve System and monetary policy, financial markets, commercial banks and other financial institutions, as well as financial institutions' risk and risk management.

Course Overview:

After completing this course, you will have a much more comprehensive understanding of the financial system. You will be able to understand the contents of business and finance journals such as the *Wall Street Journal* and the *Financial Times*, as well as understand financial events and news. Furthermore, you will be able to apply knowledge gained in your professional life and personal financial management.

Course Learning Outcomes:

1. Analyze the operational structure of the U.S., global financial systems, and digital currency.
2. Evaluate how various activities, markets, institutions, and regulations contribute to achieving the overall objective of a financial system.
3. Analyze the roles and functions of the Federal Reserve.
4. Assess the core concepts of financial markets, financial instruments, and financial institutions, as well as their roles on investment, finance, and valuation.
5. Interpret types of risk faced by financial institutions.

PARTICIPATION & ATTENDANCE

Prompt and consistent attendance in your online courses is essential for your success at CSU-Global Campus. Failure to verify your attendance within the first 7 days of this course may result in your withdrawal. If for some reason you would like to drop a course, please contact your advisor.

Online classes have deadlines, assignments, and participation requirements just like on-campus classes. Budget your time carefully and keep an open line of communication with your instructor. If you are having technical problems, problems with your assignments, or other problems that are impeding your progress, let your instructor know as soon as possible.

COURSE MATERIALS

Required:

Saunders, A., & Cornett, M. M. (2015). *Financial Markets and Institutions* (6th ed.). New York, NY: McGraw Hill Education. ISBN: 9780077861667.

Suggested:

None

NOTE: All non-textbook required readings and materials necessary to complete assignments, discussions, and/or supplemental or required exercises are provided within the course itself. Please read through each course module carefully.

COURSE SCHEDULE

Due Dates

The Academic Week at CSU-Global begins on Monday and ends the following Sunday.

- **Discussion Boards:** The original post must be completed by Thursday at 11:59 p.m. MT and peer responses posted by Sunday at 11:59 p.m. MT. Late posts may not be awarded points.
- **Critical Thinking:** Assignments are due Sunday at 11:59 p.m. MT.
- **Live Classroom:** Although participation is not required, Live Classroom sessions are held during Week 3 and Weeks 6. There are two total sessions.

WEEKLY READING AND ASSIGNMENT DETAILS

Module 1

Required Readings

Chapter 1 & Appendix 1A in *Financial Markets and Institutions*

Ryan, T. (2015, December 10). A digital currency for central bankers. *Wall Street Journal*. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/1747224694?rfr_id=info%3Axri%2Fsid%3Aprim

Tales from the crypto-nation. (2018, February 24). *The Economist*, 426, 69. Retrieved from <https://search-proquest-com.csuglobal.idm.oclc.org/docview/2014443292?OpenUrlRefId=info:xri/sid:prim&accountid=38569>

Vigna, P., & Russolillo, S. (2018, August 13). Mystery shadows a digital currency. *Wall Street Journal*. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/2087496889?rfr_id=info%3Axri%2Fsid%3Aprim

Recommended Readings

Calluzzo, P., & Dong, G. (2015). Has the financial system become safer after the crisis? The changing nature of financial institution risk. *Journal of Banking & Finance*, 53, 233. Retrieved from <https://www-sciencedirect-com.csuglobal.idm.oclc.org/science/article/pii/S0378426614003409>

Nyasha, S., & Odhiambo, N. (2015). Economic growth and market-based financial systems: A review. *Studies in Economics and Finance*, 32(2), 235-255. Retrieved from <https://search-proquest-com.csuglobal.idm.oclc.org/docview/1682174889/fulltext/3BA9179DDCD042E0PQ/70?accountid=38569>

Discussion (25 points)

Critical Thinking (75 points)

Option 1: Financial Markets: Obtaining Capital and Acquisition

Assume you are a financial manager of a Fortune 500 company. Your firm is planning to expand into new markets; hence, you need to borrow \$100 million within the next year. Also, within the next year, the company is

seeking to acquire a corporation based outside the US. Write a paper that addresses the following concerns in detail:

- Describe the ways you can borrow the \$100 million and acquire a corporation in another country.
- If you decide to issue debt securities, what types of financial institutions may purchase these securities?
- How do individuals indirectly provide the financing for your firm by maintaining deposits at depository institutions, investing in mutual funds, purchasing insurance policies, or investing in pensions?
- Discuss secured vs.unsecured lending options. What are the pros and cons of each?
- Discuss the process that you would undertake to raise funds for the corporation in 3-5 sentences.

Your paper must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and paper according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 1 folder. Upload your completed work to the **Module 1** folder.

Option 2: The Financial Crisis: Rescue Efforts

In the late 2000's, the global economy experienced the worst financial crisis since the Great Depression. As a result of this issue the United States government took a number of different steps and implemented various programs to alleviate the pressure on financial markets to stabilize the economy.

In this assignment, write a paper that addresses each of the following items:

- Describe the impact of the financial crisis on multiple market metrics/measures (DJIA, LIBOR, Fed Funds rate, etc.).
- Discuss the overall efforts by the U.S. government to intervene in the markets to promote stability.
- Select two specific federal government rescue efforts and describe them in detail.
- With the benefit of hindsight, how effective were these two rescue efforts? Did they succeed as envisioned?

Your paper must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and paper according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 1 folder. Upload your completed work to the **Module 1** folder.

Module 2

Required Readings

Chapter 2 in *Financial Markets and Institutions*

(2018, December 20). Understanding the time value of money. *Investopedia stock analysis. Nexis Uni*. Retrieved from <https://advance-lexis-com.csuglobal.idm.oclc.org/api/permalink/ecece9c7-0a53-4266-9ef2-417ed0a50cb6/?context=1516831>

Recommended Readings

Galston, W. (2018). Politics & Ideas: The national debt is worse than you think. *Wall Street Journal*. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/2026312522?rfr_id=info%3Axri%2Fsid%3Aprimo

Roberts, J. (2018). *FEDS notes: An estimate of the long-term neutral rate of interest*. Board of Governors of the Federal Reserve System. Retrieved from <https://www.federalreserve.gov/econres/notes/feds-notes/estimate-of-the-long-term-neutral-rate-of-interest-20180905.htm>

Discussion (25 points)

Critical Thinking (75 points)

Option 1: Loanable Funds

Understanding how capital markets function is critical to the effective management of corporate growth opportunities. The ability to raise funds has a direct influence on the success or failure of future projects. In this assignment, you are writing training materials for your organization's financial management. Your manager wants you to educate staff about loanable funds. Visit www.ustreas.gov as a resource and write a paper discussing what loanable funds are, the factors influencing supply and demand, and the foreign borrowers.

Your paper must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and paper according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 2 folder. Upload your completed work to the **Module 2** folder.

Option 2: Loanable Funds and Interest Rate Determination

Understanding how capital markets function is critical to the effective management of corporate growth opportunities as the ability to raise funds will have a direct influence on the success or failure of future projects.

In this assignment, write a paper in which you discuss the following:

- Who are the suppliers of loanable funds?
- What factors influence the supply of funds available to a corporation?
- What influences changes in the supply and demand curves?
- What are the six factors that determine the nominal interest rate on a security?

Your paper must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and
- Format your sources and paper according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 2 folder. Upload your completed work to the **Module 2** folder.

Module 3

Required Readings

Chapter 4 in *Financial Markets and Institutions*

United States: Shared national credit review finds some improvement in credit quality, risk remains elevated in leveraged loans. (2019) *MENA Report*. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/2172398626?rfr_id=info%3Axri%2Fsid%3Aprim

Recommended Readings

Federal Open Market Committee. (2019, March 19). *Minutes of the Federal Open Market Committee March 19-20*. Retrieved from <https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20190320.pdf>

Jaremski, M., & Wheelock, D. (2017). Banker preferences, interbank connections, and the enduring structure of the Federal Reserve System. *Explorations in Economic History*, 66(C), 21-43. Retrieved from https://ac-els-cdn-com.csuglobal.idm.oclc.org/S0014498316300511/1-s2.0-S0014498316300511-main.pdf?_tid=25fcb865-4129-43a5-8f7b-7202ad459df3&acdnat=1546866543_72644bae0c3112ccc0ab0cec591534fb

Discussion (25 points)

Critical Thinking (75 points)

Option 1: Federal Reserve Requirements and Policy Implications

In this assignment, write a paper that addresses each of the following scenarios:

1. Patriotic Bank currently has \$800 million in transaction deposits on its balance sheet. The current reserve requirement is 10 percent, but the Federal Reserve is decreasing this requirement to 8 percent.
 - Present the balance sheet (before and after changes) of both the Federal Reserve and Patriotic Bank, if Patriotic Bank converts all excess reserves to loans, but borrowers return only 50 percent of these funds to Patriotic Bank as transaction deposits.
 - Present the balance sheet of both the Federal Reserve and Patriotic Bank, if Patriotic Bank converts 75 percent of its excess reserves to loans and borrowers return 60 percent of these funds to Patriotic Bank as transaction deposits.
2. Assume that you are the manager of a firm. You are concerned about a potential increase in interest rates because it would reduce the demand for your products. Currently, economic growth is high, but annual inflation has increased from 3 percent to 5 percent within the last six months. The unemployment rate is very low and cannot go higher. The Federal Reserve (Fed) is meeting next week to assess economic conditions and set monetary policy.
 - Given the current economic situation, should the Fed adjust or not adjust economic policy? If so, how? If not, why?
 - Recently, the Fed has allowed the money supply to expand beyond its long-term target range. Does this affect your expectation of what the Fed will decide at its upcoming meeting?
3. Suppose the Fed has just learned that the Treasury will need to borrow a larger amount of funds than originally expected. Explain how this information may affect the degree to which the Fed changes the monetary policy.

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Display work for all calculations.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 3 folder. Upload your completed work to the **Module 3** folder.

Option 2: Federal Reserve Operations and Market Impact

The United States Congress established three key objectives for monetary policy in the Federal Reserve Act: Maximum employment, stable prices, and moderate long-term interest rates. The Federal Reserve is responsible for developing the appropriate strategy and implementing specific actions to meet these goals. In this assignment, write a paper in response to the following questions:

- What tools are used by the Federal Reserve to implement monetary policy?
- Why does the Federal Reserve rarely use the discount rate to implement its monetary policy?
- Which tool is most often used by the Federal Reserve? Why?

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Display work for all calculations.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 3 folder. Upload your completed work to the **Module 3** folder.

Live Session (0 points)

Module 4

Required Readings

Chapters 5, 6, & 7 in *Financial Markets and Institutions*

Stubbington, T. (2018, December 9). Bond markets signal end of bull run for shares; Bond markets fuel fear of US recession. *The Sunday Times*. London: Nexis Uni. Retrieved from <https://advance-lexis-com.csuglobal.idm.oclc.org/api/permalink/f4f00f3f-7a63-408f-882e-e847727b4ae2/?context=1516831>

Recommended Readings

Gu, & Kowalewski. (2016). Creditor rights and the corporate bond market. *Journal of International Money and Finance*, 67, 215-238. Retrieved from

https://ac-els-cdn-com.csuglobal.idm.oclc.org/S0261560616300389/1-s2.0-S0261560616300389-main.pdf?_tid=627c9960-0415-4ba1-89fe-952eaa4fb84e&acdnat=1546796085_d5f1c2822adb1979747713e32be1ca97

Uren, D. (2019, January 14). Money markets raise alarm about fragile US economy. *The Australian*. Nexis Uni. Retrieved from

<https://advance-lexis-com.csuglobal.idm.oclc.org/document/?pdmfid=1516831&crd=9d1aee38-47cd-489e-bd24-bbc98ff7c3ac&pddocfullpath=%2Fshared%2Fdocument%2Fnews%2Furn%3AcontentItem%3A5V62-6TK1-F0JP-W432-00000-00&pddocid=urn%3AcontentItem%3A5V62-6TK1-F0JP-W432-00000-00&pdcontentcomponentid=244777&pdteaserkey=sr2&pditab=allpods&ecomp=bynk&earg=sr2&prid=99b6c80f-533b-4e95-910b-50ef8ff4077f>

Discussion (25 points)

Critical Thinking (75 points)

Option 1: Money, Bond Returns, and Amortization Schedule

In this assignment, write a paper that shows your calculations for each scenario:

1. You can purchase a T-bill that is 90 days from maturity for \$9,970. The T-bill has a face value of \$10,000.
 - Calculate the T-bill's quoted yield.
 - Calculate the T-bill's bond equivalent yield.
 - Calculate the T-bill's EAR.
2. You plan to purchase a \$130,000 house using a 15-year mortgage obtained from your local bank. The mortgage rate is 5.25 percent. You will make a down payment of 20% of the purchase price.
 - Calculate your monthly payments on this mortgage.
 - Using an Excel Spreadsheet, construct the amortization schedule for the first 12 payments.
 - Compute a breakdown of the total payments of the mortgage into interest and principal payment.
3. As a portfolio manager for an insurance company, you are about to invest funds in one of three possible investments:
 - 10-year coupon bonds issued by the U.S. Treasury,
 - 20-year zero-coupon bonds issued by the Treasury, or
 - One-year Treasury securities.
4. Based on the assumptions in Question 3, each possible investment is perceived to have no risk of default. You plan to maintain this investment for a one-year period. The return of each investment over a one-year horizon will be about the same if interest rates do not change over the next year. However, you anticipate that the U.S. inflation rate will decline substantially over the next year, while most of the other portfolio managers in the United States expect inflation to increase slightly.
 - If your expectations are correct, how is the return of each investment affected over the one-year horizon?
 - If your expectations are correct, which of the three investments should have the highest return over the one-year horizon and why?
 - Offer possible reasons you might not select the investment that would have the highest expected return over the one-year investment horizon.

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Display work for all calculations.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 4 folder. Upload your completed work to the **Module 4** folder.

Option 2: Bond Markets

The corporate bond market is an important source of capital as corporations are looking to expand operations, develop new facilities and optimize overall capital structure. As each corporation has a different profile, their ability to tap into this market varies based on a number of factors. In this assignment, write a paper that analyzes concept and attributes as they pertain to the utilization of the bond market by a corporation:

- Why would a corporation consider a convertible bond issuance?
- Identify common debt covenants and their implications to the issuing corporation.
- What is a sinking fund and how does it come into consideration during a bond issue?
- Provide one example of a corporation that has used a new bond issuance to support a share repurchase program. Evaluate the outcome of this activity.

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 4 folder. Upload your completed work to the **Module 4** folder.

Module 5

Required Readings

Chapters 8, 9, & 10 in *Financial Markets and Institutions*

Recommended Readings

Santis, R. (2018). Unobservable systematic risk, economic activity and stock market. *Journal of Banking and Finance*, 97, 51-69. Retrieved from

https://ac-els-cdn-com.csuglobal.idm.oclc.org/S0378426618302085/1-s2.0-S0378426618302085-main.pdf?_tid=996c5949-8a95-4a82-aba2-14325458ef3f&acdnat=1546818821_48ac23305c438b4a3d1513a2772b0f88

Stafford, P., & Blitz, R. (2018). Traders clamber on to the weak-dollar bandwagon. *Financial Times*, 11. Retrieved from

https://search-proquest-com.csuglobal.idm.oclc.org/docview/2008187385?rfr_id=info%3Axri%2Fsid%3Aprim

Discussion (25 points)

Critical Thinking (75 points)

Option 1: Derivatives and Foreign Exchange Markets

In this assignment, write a paper that addresses the following scenario:

As a portfolio manager of a US-based financial institution, you are responsible for managing domestic and international investments of your institution. Approximately 25 percent of the stock portfolio you manage is British stocks. Your expectation is that the British stock market will perform well over the next year. Therefore, you plan to sell the stocks one year from now and then convert the British pounds received to dollars at that time. However, you are worried that the British pound may depreciate against the dollar over the next year.

- Explain how you could use a forward contract to hedge the exchange rate risk associated with your position in British stocks.
- If interest rate parity holds, does this limit the effectiveness of a forward contract as a hedge?
- Explain how you could use an options contract to hedge the exchange rate risk associated with your position in stocks.
- Assume that, although you are worried about the potential decline in the pound's value, you also believe that the pound could appreciate against the dollar over the next year. You would like to benefit from the potential appreciation but also wish to hedge against the possible depreciation. Should you or should you not use forward contract or options contracts to hedge your position? Explain.

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Display work for all calculations.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 5 folder. Upload your completed work to the **Module 5** folder.

Option 2: Shareholder Returns

In a leadership role in a public corporation it is important to have a clear understanding of total shareholder returns and how changes in corporate policy can impact the existing shareholder base of the firm.

Discuss each of the following corporate actions from the perspective of the existing shareholders to assess the potential market implications of these actions:

- Issuance of additional shares of common stock.
- Announcement of a new share repurchase program.
- Increase of the quarterly dividend per share.

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 5 folder. Upload your completed work to the **Module 5** folder.

Portfolio Milestone (50 points)

Submit an outline of your Portfolio Project. Your outline should be a Word document in which you list the major headings and sections of your paper. Upload your completed outline to the Module 5 folder by the end of the week. This outline is a required component of the Portfolio Project assignment.

Module 6

Required Readings

Chapters 11, 12 (sections 12-2, 12-4, and 12-5), & 13 in *Financial Markets and Institutions*

Recommended Readings

McGrane, V. (2015). Global finance: FDIC moving to ease bank failures. *Wall Street Journal*, C.3. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/1674607059?rfr_id=info%3Axri%2Fsid%3Aprimo

Spierdijk, Shaffer, & Considine. (2017). How do banks adjust to changing input prices? A dynamic analysis of U.S. commercial banks before and after the crisis. *Journal of Banking and Finance*, 85, 1-14. Retrieved from <https://www-sciencedirect-com.csuglobal.idm.oclc.org/science/article/pii/S037842661730170X>

Discussion (25 points)

Critical Thinking (75 points)

Option 1: Bank Financial Statement Analysis

Review the financial statements for People's National Bank (PNB) and prepare a written response to the following questions:

1. Analyze the following ratios for PNB's financial statements:
 - Earning Assets
 - Return on Assets
 - Total Operating Income
 - Asset Utilization
 - Net Interest Margin Spread
 - Overhead Efficiency
 - Tax Ratios

2. Compare the results of PNB's ratios to the banking industry average. Then, interpret the results of the comparison.

Peoples' National Bank - Balance Sheet - As of December 31, 20X6

Assets		Liabilities & Equity	
Cash	600	Demand deposits	5,590
Demand Deposits from other FIs	1,890	Small time deposits	9,867
Investment	3,680	Jumbo CDs	3,198
Federal funds sold	1,988	Federal funds purchased	2,500
Loans	16,145	Equity	3,728
Reserve for loan losses	(1,040)		
Premises	1,620		
Total Assets	24,883	Total Liabilities and Equity	24,883

Peoples' National Bank - Income Statement – For the Year Ended December 31, 20X6

Interest on fees and loan	1,200
Interest on investment securities	700
Interest on repurchase agreement	780
Interest on deposits in banks	265
Total Interest Income	2,945
Interest on deposits	945

Interest on debentures	689
Total Interest Expense	1,634
Provision for loan losses	140
Noninterest income	185
Noninterest expense	281
Total	236
Income before taxes	1,075
Taxes	215
Net Income	860

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.
- Display work for all calculations.
- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 6 folder. Upload your completed work to the **Module 6** folder.

Option 2: Risk Evaluation of Commercial Banks

Understanding the structure of commercial banks and the services/products that they provide is essential for the successful leadership of any commercial enterprise. While fundamental knowledge of the industry as a whole is important, it is equally crucial to assess the risk profile of counter-parties to ensure that appropriate steps have been taken to mitigate this risk as much as possible.

To understand the risks associated with corporate banking activities more, prepare a written response to the following questions:

- What is meant by off-balance sheet activity?
- What specific types of off-balance-sheet items would you expect for commercial banks?
- How does an off-balance-sheet item move onto the balance sheet?
- How do you assess the risk of off-balance-sheet items?

Your response must adhere to the following standards:

- Be 4-5 page (1200-1500 words) excluding the title or references pages.

- Cite at least 6 references (at least 4 scholarly/peer reviewed) properly using the textbook and academic references from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

For support, review the grading rubric, which may be found in the Module 6 folder. Upload your completed work to the **Module 6** folder.

Live Session (0 points)

Module 7

Required Readings

Chapters 14, 15, & 16 in *Financial Markets and Institutions*

(2014, February 4). Insurance regulation committee: House financial services; Subcommittee: Housing and insurance. *CQ Congressional Testimony*. Nexis Uni. Retrieved from <https://advance-lexis-com.csuglobal.idm.oclc.org/api/permalink/30a485a8-5a2c-4f54-8720-ed5b66e23d3f/?context=1516831>

Recommended Readings

Banks match credit unions as Capital One and Chase see upticks in customer satisfaction, ACSI data show. (2018 Nov 13). *Business Wire*. Retrieved from <https://csuglobal.idm.oclc.org/login?url=https://search-proquest-com.csuglobal.idm.oclc.org/docview/2132205438?accountid=38569>

Ryan, T. (2014, Jan 27). Insurers push back against stricter regulation; large U.S. insurance companies mount behind-the-scenes effort. *Wall Street Journal (Online)*. Retrieved from <http://search.proquest.com.csuglobal.idm.oclc.org/docview/1491850635?accountid=38569>

Discussion (25 points)

Module 8

Required Readings

Chapters 17 (sections 17-1 to 17-3; 17-5 to 17-7), 18 (sections 18-1, 18-2, and 18-5), & 19 in *Financial Markets and Institutions*

Baker, S. (2019). Fourth-quarter decline smacks pension funds in largest markets. *Pensions & Investments* 47(2), 3. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/2170565670?rfr_id=info%3Axri%2Fsid%3Aprim

Recommended Readings

Bouslah, K., Kryzanowski, L., & M'Zali, B. (2018). *Social performance and firm risk: Impact of the financial crisis*. *Journal of Business Ethics*, 149(3), 643-669. Retrieved from <https://link.springer.com/article/10.1007%2Fs10551-016-3017-x>

Cerchiello, P., & Giudici, P. (2016). Big data analysis for financial risk management. *Journal of Big Data*, 3(1), 1-12. Retrieved from https://search-proquest-com.csuglobal.idm.oclc.org/docview/1987921366?rfr_id=info%3Axri%2Fsid%3Aprim

Sun, L., & Teo, M. (2019). Public hedge funds. *Journal of Financial Economics*, 131(1), 44-60. Retrieved from https://ac-els-cdn-com.csuglobal.idm.oclc.org/S0304405X18302563/1-s2.0-S0304405X18302563-main.pdf?_tid=1794059b-45f3-4380-a26d-d2b39baa9b58&acdnat=1546823181_fdf3f2c9ff3c3f8b7120b31746ee6ad0

Discussion (25 points)

Portfolio Project (300 points)

Option 1: Financial Crisis and its Impact on Financial Institutions and Markets

Financial institutions and markets are important components of the economy. The recent financial crisis that started in 2007 affected many organizations including financial institutions and markets.

For your final project, you will write a scholarly paper that examines the financial crisis and its impact on financial institutions and markets. Make sure that you address the following issues in your paper:

- **Causes of Problems for Financial Institutions during the Financial Crisis:** Briefly discuss the financial crisis. Determine and discuss the underlying causes of problems experienced by financial institutions during the recent financial crisis. Explain how these problems might have been avoided.
- **Impact of Financial Crisis on Financial Market Liquidity:** Explain the link between the financial crisis and the lack of liquidity in the financial markets. Specifically, offer some insight as to the reasons the debt markets became inactive at the time. How were interest rates affected? What happened to initial public offering (IPO) activities during the crisis period?
- **Risk Management:** Discuss whether or not institutional investors that purchased mortgage-backed securities containing subprime mortgages followed reasonable investment guidelines and risk management. Address this issue for various types of financial institutions such as pension funds, commercial banks, insurance companies, and mutual funds. If financial institutions were taking on too much risk, explain whether or not current regulations (especially those passed during and after the financial crisis) are adequate to avert future recurrence. In addition, recommend how regulations can be changed to limit excessive risk taking.

The final project should adhere to the following standards:

- Be 8-10 pages in length, excluding the title and reference page.
- Include at least 12 references (at least 10 are scholarly/peer reviewed) in addition to your text or other required readings. preferably from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

The final project rubric can be found in the **Module 8** folder to support your efforts.

Option 2: Financial Institution Performance and Risk Evaluation

Financial institutions and markets are important components of the economy and as a result the financial performance of these institutions is vital to the overall health of the economy.

For your final project, you will write a scholarly paper that is a detailed analysis of the financial performance of a selected financial institution as well as an assessment of the institution's risk profile. In your completed paper you should be certain to address the following issues:

- **Financial Analysis of the Financial Institution:** You should complete a 3-year financial analysis of the financial statement of the institution, including the use of ratios, horizontal and vertical analysis, as well as other analytical tools that would provide further insight into overall performance.
- **Off-Balance-Sheet Item Evaluation:** Perform a thorough analysis of the off-balance-sheet items that are disclosed in the institution's annual report. This analysis should include a risk assessment of all major items as well as insight into the probability that these items will migrate to the balance sheet.
- **Regulatory Compliance:** Provide insight into the activities that the financial institution has undertaken as a result of various regulatory reforms that have been instituted since the financial crisis (Dodd-Frank, Basel III, etc.).

The final project should adhere to the following standards:

- Be 8-10 pages in length, excluding the title and reference page.
- Include at least 12 references (at least 10 are scholarly/peer reviewed) in addition to your text or other required readings. preferably from the CSU-Global Library.
- Format your sources and response according to the *CSU-Global Guide to Writing and APA*.

The final project rubric can be found in the **Module 8** folder to support your efforts.

COURSE POLICIES

Course Grading

20% Discussion Participation

45% Critical Thinking Assignments

35% Final Portfolio Project

Grading Scale	
A	95.0 – 100
A-	90.0 – 94.9
B+	86.7 – 89.9
B	83.3 – 86.6
B-	80.0 – 83.2
C+	75.0 – 79.9
C	70.0 – 74.9
D	60.0 – 69.9
F	59.9 or below

IN-CLASSROOM POLICIES

For information on late work and incomplete grade policies, please refer to our **In-Classroom Student Policies and Guidelines** or the Academic Catalog for comprehensive documentation of CSU-Global institutional policies.

Academic Integrity

Students must assume responsibility for maintaining honesty in all work submitted for credit and in any other work designated by the instructor of the course. Academic dishonesty includes cheating, fabrication, facilitating academic dishonesty, plagiarism, reusing /repurposing your own work (see CSU-Global Guide to Writing & APA for percentage of repurposed work that can be used in an assignment), unauthorized possession of academic materials, and unauthorized collaboration. The CSU-Global Library provides information on how students can avoid plagiarism by understanding what it is and how to use the Library and internet resources.

Citing Sources with APA Style

All students are expected to follow the CSU-Global Guide to Writing & APA when citing in APA (based on the most recent APA style manual) for all assignments. A link to this guide should also be provided within most assignment descriptions in your course.

Disability Services Statement

CSU-Global is committed to providing reasonable accommodations for all persons with disabilities. Any student with a documented disability requesting academic accommodations should contact the Disability Resource Coordinator at 720-279-0650 and/or email ada@CSUGlobal.edu for additional information to coordinate reasonable accommodations for students with documented disabilities.

Netiquette

Respect the diversity of opinions among the instructor and classmates and engage with them in a courteous, respectful, and professional manner. All posts and classroom communication must be conducted in accordance with the student code of conduct. Think before you push the Send button. Did you say just what you meant? How will the person on the other end read the words?

Maintain an environment free of harassment, stalking, threats, abuse, insults, or humiliation toward the instructor and classmates. This includes, but is not limited to, demeaning written or oral comments of an ethnic, religious, age, disability, sexist (or sexual orientation), or racist nature; and the unwanted sexual advances or intimidations by email, or on discussion boards and other postings within or connected to the online classroom. If you have concerns about something that has been said, please let your instructor know.