

ÇANKAYA UNIVERSITY
Department of Banking and Finance

Baf 301– Financial Markets & Instruments I

Fall, 2015

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Class Hours: F: 13:20-16:20

Course Description and Objectives

As financial system becomes more globalized and intertwined, it is getting more important to comprehend financial markets, institutions and instruments in advance. This course is of particular relevance to students of Banking and Finance Department who are interested in a career in the financial sector.

I intend to offer a general introduction to the most fundamental concepts and principles for the financial system and then go into details for the financial markets, institutions and instruments.

The course is aimed at you who wish to obtain a high quality route into the finance industry in the future, and therefore will equip such candidates with a broad background in financial issues.

Main topics include: financial system; financial markets, e.g. money and capital markets; financial institutions such as banks, funds, securities firms; financial instruments mainly equity, debt and derivatives..

I will enrich each topic by means of Turkish practice primarily within the boundaries of Capital Markets Board regulations. However, other legislation such as Banking Law will be considered in conjunction with those of capital markets as well.

Required Materials

Key Texts:

Saunders, A. and M. M. Cornett (2012) Financial Markets and Institutions (5th edition), New York City, NY: McGraw-Hill/Irwin;

Supplemental:

Capital Markets Board (Sermaye Piyasası Kurulu) and Banking Regulation and Supervision Agency (Bankacılık Düzenleme ve Denetleme Kurumu) regulations and other relevant legislation which are to be announced in advance.

Grading:

The grade will be based on an interim exam, a final exam, an assignment and course participation. Overall course grading will be approximately as follows:

REQUIREMENTS	WEIGHT
Interim Exam	30%
Final Exam	40%
Assignment	20%
Participation	10%

Interim exam will comprise the topics handled in previous classes. However, you will be held responsible for the topics as a whole in the final exam.

Assignment will preferably be done in student groups of two or three students each. It will include an illustrative case which will require you to conceptualize a given subject matter and write an assessment in order to show their comprehension. In that respect, you are required to provide an introduction, and the body of the work with a final conclusion. The work should provide discussion, critical reflection and thinking. You need to provide effective citations, and referencing should be in the Harvard methodology; attention to detail is essential and reflects good scholarship.

Cheating:

All university, faculty, and department principles on academic honesty will be strictly enforced. The usual consequence for academic dishonesty is failure in the course and additional disciplinary action. Examinations are individual and are to be completed without unauthorized outside assistance. Persons observed cheating during examinations will automatically receive a failing grade in the course. In addition to the consequences above, I may have to initiate disciplinary action against you involved in academic dishonesty.

Plagiarism:

I assume that you will do your own work. By placing your names (individual or team) on assignments, you are affirming that the contents are their original work. Ideas should be stated in your own wording. Violation of this provision will be considered as unethical behavior, subject to disciplinary action. If you have any doubt about the use of a specific material, see me ahead of time.

Civility in the Classroom:

You are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all of you have an opportunity to gain from time spent in class, you are prohibited from using mobile phones or beepers, eating or drinking in class, arriving late or leaving early without prior permission, or engaging in any other form of distraction. Inappropriate behavior in classroom shall result in, minimally, a request to leave class.

Examination Rules:

You must present a valid Student ID before you can be allowed into the examination rooms. Those of you who cannot present this ID will not be allowed into the examination room under any circumstances. Mobile phones must be switched off and stowed away during the examinations. The ones whose phones are observed to be turned on and/or not stowed away will receive a score of zero for the examination.

Course plan and outline (tentative):

The course is composed of four major headings presented as follows:

1. Introduction and Conceptual Framework		
Date	Topic	Reading
October		
2	Financial System and Financial Institutions	Chp. 1
9	Overview of Financial Markets and Instruments	Chp. 1
2. Financial Markets and Instruments		
16	Money Markets	Chp. 5
23	Bond and Mortgage Markets	Chp. 6&7
30	Stock Markets	Chp. 8
November		
6	Foreign Exchange Markets	Chp. 9
13	Derivative Securities Markets	Chp. 10
20	Interim Exam	
3. Banking Institutions		
27	Commercial Banks	Chp. 11&13
December		
4	Investment Banks, Insurance Companies, Leasing and Factoring Firms	Chp. 14&15
4. Capital Market Institutions		
11	Securities Firms	Chp. 16
18	Investment Funds&Trusts and Pension Funds	Chp. 17&18
25	An Overall Evaluation of the Semester	
January		
8	Final Exam	