

# **DISS215: INTRODUCTION TO FINANCIAL MARKETS AND INSTITUTIONS**

**Division of International Studies, Korea University**

**Spring 2017**

**INSTRUCTOR: PROFESSOR DONG-EUN RHEE**

OFFICE: 529 INTERNATIONAL STUDIES HALL

OFFICE HOURS: 1:30-15:30 TUESDAY AND BY APPOINTMENT

EMAIL: [derhee@korea.ac.kr](mailto:derhee@korea.ac.kr)

PHONE: 3290-2408

**CLASS INFORMATION:** 10:30 – 11:45 AM ON TUESDAY AND THURSDAY

ROOM: TBA, INTERNATIONAL STUDIES HALL

## **Course Description**

The objective of this course is to provide basic tools to understand financial markets. Especially, throughout the course, the macroeconomic perspective of financial markets will be emphasized, since financial markets interact with economy. Topics addressed include: understanding interest rates; the relationship between financial markets and the monetary policy; various financial markets such as bond markets, stock markets, and real estate markets; the incentive mechanism in the financial markets; financial regulations; financial crises.

## **Required Textbook**

Hubbard, R. Glenn and Anthony Patrick O'Brien, *Money, Banking, and the Financial System*,

## **Prerequisites**

Introductory level of microeconomics AND macroeconomics.

**NOTE:** This class is almost equivalent to “DISS311 INT’L FINANCE: Theory and Practice” with some different perspectives. The Students who have taken DISS311 (or who are taking the course in this semester) are not eligible for this class.

## Grading

1. Midterm Exam (30%)
2. Final Exam (40%)
3. Four Pop-up quizzes (10%, 2.5% each)
4. Presentation (15%)
5. Participation & Professional Attitude (5%)

Note 1: There will not be make-up exams.

Note 2: The final grades are not negotiable in any case.

## Presentations

A group of students will present a survey on a country's financial markets at the end of the semester. Each group should submit the slides for the presentation before the assigned date, and will have 25-30 minutes to present.

The details of the project will be announced by the first class after the midterm exam.

## Tentative Schedule

	Reading	
Week 1		Course Overview and Introduction
Week 2	Chapter 3	Interest Rates and Rates of Return
Week 3	Chapter 4	Determining Interest Rates
Week 4	Chapter 5	The Risk Structure and Term Structure of Interest Rates
Week 5	Chapter 15	Monetary Policy
Week 6	Chapter 17	Monetary Theory I
Week 7	Chapter 18	Monetary Theory II
Week 8		<b>MIDTERM EXAM</b>
Week 9	Chapter 6	The Stock Market, Information, and Financial Market Efficiency
Week 10	Chapter 8 Handout	The Market for Foreign Exchange Real Estate Market; Financial Bubble
Week 11	Chapter 9	Transaction Costs, Asymmetric Information, and the Structure of the Financial System
Week 12	Chapter 10	The Economics of Banking
Week 13	Chapter 12	Financial Crises and Financial Regulation
Week 14		Student Presentations
Week 15		Student Presentations
Week 16		<b>FINAL EXAM</b>

- The schedule is subject to change by the instructor.