

**THE UNIVERSITY OF THE WEST INDIES  
ST. AUGUSTINE, TRINIDAD AND TOBAGO, WEST INDIES**

<b>Course title:</b>	Economics of Financial Institutions
<b>Course code</b>	ECON3011
<b>Course proposer:</b>	Anthony Birchwood
<b>Course type</b> ( <i>Tick as appropriate</i> )	<input type="checkbox"/> Core <input checked="" type="checkbox"/> Elective <input type="checkbox"/> Co-curricular
<b>Level</b>	Undergraduate
<b>Semester in which course will be offered:</b>	Semester 1
<b>Course Start Date</b>	September 18 <sup>th</sup> , 2020
<b>Course Provider/ Academic Unit</b>	Economics
<b>Credits</b>	3
<b>Pre/Co-requisites</b>	*Students should have the following knowledge/competence: <ul style="list-style-type: none"> <li>• ECON2000</li> <li style="text-align: center;">&amp;</li> <li>• ECON2002</li> </ul>
<b>Teaching Methods (list only):</b>	Lectures
<b>Estimated Study Hours</b>	Hours/week: <ul style="list-style-type: none"> <li>• Lectures – two(2) contact hours per week</li> </ul>
<b>Total no. of assessments</b>	<ul style="list-style-type: none"> <li>• 100% Coursework</li> </ul>
<b>Instructor information</b>	Lecturer (Primary) : Anthony Birchwood Office Address : Faculty Office of the Social Sciences Email Address : <a href="mailto:anthony.birchwood@sta.uwi.edu">anthony.birchwood@sta.uwi.edu</a> Office Hours : to be announced in class Preferred method of contact : Email  Teaching Assistant : Soleil Frederick Email Address : soleil.frederick@sta.uwi.edu

# 1 COURSE OVERVIEW

## 1.1 Course Description

This course introduces the theory and practice of financial markets. It covers contemporary topics such as Financial Structure, Financial Intermediation and Financial Instruments.

## 1.2 Rationale

This course recognizes that graduates of the BSc. Economics Program will be required to function as managers /decision-makers in financial markets. The purpose of this course is to provide these potential managers/ decision-makers with challenges that confront the financial sector.

## 1.3 Aims/Goals

The goal is to enhance the managerial and analytical skills of these students in the area of financial economics.

## 2.4 Learning Outcomes/Objectives

This course aims to provide the students with (a) an appreciation of the analytical skills needed in the financial sector and (b) adequate analytical skills needed to pursue careers in the financial sector. It should be noted that this course also provides an adequate background to students who intend to pursue an MBA degree after graduation.

Lectures are the primary teaching strategy used in this course; however, these lectures will require independent thought by students. Students will need to take detailed notes from the lectures (i.e., more than what is available on the slides). There will also be questions posed during the lectures which will only be discussed in class. Students are responsible for the material covered during the in-class discussions which will encourage critical thinking and evaluation of topics covered in class. Tutorial assignments are completed outside of the lectures and require student initiative.

## 2.5 Learning Outcomes Guide

Upon successful completion of ECON3011, the students will be able to:	Cognitive Domain	Psychomotor Domain	Affective Domain
1. Discuss the Financial Structure.	Knowledge	Articulation	Valuing
2. Discuss Financial Instruments and Regulation	Knowledge	Articulation	Valuing
3. Discuss Finance and Growth	Knowledge	Articulation	Valuing
4. Discuss Financial Markets	Comprehension	Articulation	Valuing
5. Discuss Interest Rates and Money Markets	Knowledge	Articulation	Valuing
6. Discuss Mutual Funds and Pension Schemes	Comprehension	Articulation	Valuing
7. Discuss Money and Equity Markets	Comprehension	Articulation	Valuing
8. Discuss Pension Funds	Comprehension	Articulation	Valuing
9. Discuss Central Banking in the Caribbean	Knowledge	Articulation	Valuing

## 2 COURSE ASSESSMENT

### 3.1. LINKAGE OF ASSESSMENT METHODS TO LEARNING OUTCOMES

Assessment Method						Learning Outcomes (Corresponds to list in section 2.5)				Weighting %	Assessment Description	Duration
	LO1	LO 2	LO3	LO4	LO5	LO6	LO7	LO8	LO 9			
Project	X	X	X	X	X	X	X	X	X	80 %	In-course Assessment	
Short Response Questions	X	X	X	X	X	X	X	X	X	20%	In-course Assessment	

## 3 TEACHING METHODS

Method	Description
Lecture	Students will be required to attend lectures consisting of two (2) contact hours per week.
Project	The student will be required to utilize the techniques taught in this course to analyze the project.

**4 COURSE CALENDAR**

<b>Week</b>	<b>Topics</b>	<b>Readings/Resources</b>	<b>Activities including Assessments</b>
1.	Financial Structure	Financial Structure. Goldsmith (1965). Financial System: Regulations, markets and instruments. Mishkin (2013). World Wide Financial Indicators: Size and Efficiency.	
2.	Financial Instruments and Regulation	Ramsaran et al (2013); Financial System: Regulations, markets and instruments. Mishkin (2013)	Tutorial Sheet #1
3.	Finance and Growth	How sophistication related to monetary policy. Evolution of financial systems in the Caribbean. Birchwood (2011).	Tutorial Sheet #2
4.	Financial Market	Supply leading vs Demand Following Banking and Economic Growth, Credit Rationing.	Tutorial Sheet #3
5.	Interest Rates and Money Markets	Financial Markets, foreign exchange markets, interest rate fundamentals, interaction of interest rates, inflation and foreign exchange rates.	Tutorial Sheet #4
6.	Mutual Funds & Pension Schemes	Mutual Funds, Pension Funds	Tutorial Sheet #5
7.	Money and Equity Markets	Stock Markets	Tutorial Sheet #5
8.	Money and Equity Markets	Stock Markets	Tutorial Sheet #6
9.	Pension Funds	Legislation	Tutorial Sheet #6
10.	Central Banking in CARICOM	Exchange Rate and Monetary Policy	

## 5 READINGS/RESOURCES

### 5.1 Recommended

- The Economics of Money, Banking and Financial Markets, 10<sup>th</sup> ed. Frederic Mishkin 2013. Pearson Education Inc.

### 5.2 Background Caribbean Reading

- Birchwood, Anthony et al. (2003). Banking in Small States. Caribbean Centre for Money and Finance.
- Ramsaran, Ramesh et al. (2013). The Financial Evolution of the Caribbean Community (1997 -2008). The Caribbean Centre for Money and Finance, UWI-St Augustine.
- Cornett, Marcia Millon and Anthony Saunders, (1999). Fundamentals of Financial Institutions Management. The McGraw Hill Companies, Inc.

### 5.3 Other: (Special Equipment/Tools)

- Myelearning site – course code ECON3011

## 6 POLICIES

### Class Attendance Policy

Regular class attendance is essential. A student who misses a class will be held responsible for the class content and for securing material distributed. Attendance is the responsibility of the student and consequently nonattendance will be recorded. **In the Faculty of Social Sciences, students missing more than 75% of tutorials are liable to be debarred from Examinations.** Please review the handbook on *Examination Regulations for First Degrees, Associate Degrees, Diplomas, and Certificates* (Regulation 19).

### Examination Policy

Please review the handbook on *Examination Regulations for First Degrees, Associate Degrees, Diplomas, and Certificates* available via the Intranet.

### Academic Conduct/Misconduct

#### **Policy for Cheating/Plagiarism**

97. (i) Cheating shall constitute a major offence under these regulations.  
(ii) Cheating is any attempt to benefit oneself or another by deceit or fraud.  
(iii) Plagiarism is a form of cheating.  
(iv) Plagiarism is the unauthorized and/or acknowledged use of another person's intellectual effort and creations howsoever recorded, including whether formally published or in manuscript or in typescript or other printed or electronically presented form and includes taking passages, ideas or structures from

another work or author without proper and unequivocal attribution of such source(s), using the conventions for attributions or citing used in this University.

103. (i) If a candidate is suspected of cheating, or attempting to cheat, the circumstances shall be reported to the Campus Registrar. The Campus Registrar shall refer the matter to the Chairman of the Campus Committee on Examinations. If the Chairman so decides, the Committee shall invite the candidate for an interview and shall conduct an investigation. If the candidate is found guilty of cheating or attempting to cheat, the Committee shall disqualify the candidate from the examination in the course concerned, and may also disqualify him/her from all examinations taken in that examination session; and may also disqualify him/her from all further examinations of the University, for any period of time, and may impose a fine not exceeding Bds#300.00 or J\$5,000.00 or TT\$900.00 or US\$150.00 (according to campus). If the candidate fails to attend and does not offer a satisfactory excuse prior to the hearing, the Committee may hear the case in the candidate's absence.

### **Statement of Disability Procedures**

The University of the West Indies ST. Augustine is committed to providing an educational environment that is accessible to all students, while maintaining academic standards. In accordance with this policy, students in need of accommodations due to a disability should contact the Academic Advising /Disabilities Liaison Unit (AADLU) for verification and determination as soon as possible after admission to the University, or at the beginning of each semester.

**2014/2015 Grading Policy for Undergraduate Students**  
**Grade Descriptors**

<b>Grade</b>	<b>% Range</b>	<b>Grade Point</b>	<b>Grade Definition</b>	<b>Grade Descriptor</b>
A+	90 -100	4.3	Exceptional	Demonstrates exceptional performance and achievement in all aspects of the course. Exceptional application of theoretical and technical knowledge that demonstrates achievement of the learning outcomes. Goes beyond the material in the course and displays exceptional aptitude in solving complex issues identified. Achieves the highest level of critical, compelling, coherent and concise argument or solutions within the course.
A	80 – 89	4.0	Outstanding	Demonstrates outstanding integration of a full range of appropriate principles, theories, evidence and techniques. Displays innovative and/or insightful responses. Goes beyond the material with outstanding conceptualization which is original, innovative and/or insightful. Applies outstanding critical thinking skills.
A-	75 - 79	3.7	Excellent	Demonstrates excellent breadth of knowledge, skills and competencies and presents these in appropriate forms using a wide range of resources. Demonstrates excellent evidence of original thought, strong analytical and critical abilities; excellent organizational, rhetorical and presentational skills.
B+	70 - 74	3.3	Very Good	Demonstrates evidence of very good critical and analytical thinking in most aspects of the course. Very good knowledge that is comprehensive, accurate and relevant. Very good insight into the material and very good use of a range of appropriate resources. Consistently applies very good theoretical and technical knowledge to achieve the desired learning outcomes.
B	65 - 69	3.0	Good	Demonstrates good knowledge, rhetorical and organizational skills. Good insight into the material and a good use of a range of appropriate resources. Good integration of a range of principles, techniques, theories and evidence.

<b>Grade</b>	<b>% Range</b>	<b>Grade Point</b>	<b>Grade Definition</b>	<b>Grade Descriptor</b>
B-	60 - 64	2.7	Satisfactory	Displays satisfactory evidence of the application of theoretical and technical knowledge to achieve the desired learning outcomes. Demonstrates sound organizational and rhetorical skills.
C+	55 - 59	2.3	Fair	Demonstrates fair breadth and depth of knowledge of main components of the subject. Fair evidence of being able to assemble some of the appropriate principles, theories, evidence and techniques and to apply some critical thinking.
C	50 - 54	2.0	Acceptable	Demonstrates acceptable application of theoretical and technical knowledge to achieve the minimum learning outcomes required in the course. Displays acceptable evidence of critical thinking and the ability to link theory to application.
F1	45 - 49	1.7	Unsatisfactory	Demonstrates unsatisfactory application of theoretical and technical knowledge and understanding of the subject. Displays unsatisfactory ability to put theory into practice; weak theoretical and reflective insight. Unsatisfactory critical thinking, organizational and rhetorical skills.
F2	40 - 44	1.3	Weak	Weak overall performance with very limited knowledge and understanding of the subject. Little evidence of theoretical and reflective insights. Weak organizational and rhetorical skills.
F3	0 - 39	0.0	Poor	Overall poor or minimal evidence of knowledge and understanding of the subject. Displays little ability to put theory into practice; lacks theoretical and reflective insights. Incomplete breadth and depth of knowledge on substantive elements of the subject. Little or no evidence of critical engagement with the material. Responses are affected by irrelevant sources of information, poor organizational and rhetorical skills.