



CORPORATE AND ACADEMIC SERVICES

MODULE SPECIFICATION

Part 1: Basic Data					
Module Title	Economics of International Financial Markets				
Module Code	UMED8V-15-3	Level	3	Version	1
Owning Faculty	Business and Law	Field	Economics		
Contributes towards	BA (Hons) Economics, BA (Hons) Banking and Finance				
UWE Credit Rating	15	ECTS Credit Rating	7.5	Module Type	Standard
Pre-requisites	Economic Principles in a Contemporary Context (UMED8D-15-1)	Co- requisites	None		
Excluded Combinations	None	Module Entry requirements			
Valid From	September 2012	Valid to			

CAP Approval Date	QMAC Dec 11
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Part 2: Learning and Teaching	
<i>Learning Outcomes</i>	<p>On successful completion of this module students will be able to:</p> <ul style="list-style-type: none"> • Understand and critically analyse the operation, mechanics and structure of the markets of debt, equity, derivatives and foreign exchange. (Component A and B) • Apply the theory of interest rate, term structure, asset valuation and foreign exchange rate to interpret economic and financial information and predict future movement of various financial instruments. (Component A and B) • Understand a variety of risks faced by financial institutions and how they can manage those risks in international financial markets. (Component A and B) • Critically analyse the causes of the recent financial turmoil and analyse on-going changes to the UK and international financial and banking system. (Component A and B) <p>In addition the educational experience may explore, develop, and practise <u>but not formally discretely assess</u> the following:</p> <ul style="list-style-type: none"> • Work effectively as part of a team. • Articulate ideas and thoughts clearly. • Present work to a group confidently. • Manipulate large dataset competently.

<p>Syllabus Outline</p>	<p>This module typically will cover the following topics:</p> <ul style="list-style-type: none"> • Level of interest rate: yield to maturity, bond price and interest rates, supply and demand analysis for bonds, liquidity preference framework, money supply and interest rates • Risk and term structure of interest rate: decomposition of credit spread, expectations theory, liquidity premium theory and preferred habitat theory of term structure of interest rates • Debt market: economic role of money markets, features and pricing of various money market instruments, interest rate risk, price risk and reinvestment risk of bonds, index-linked bonds, global bond markets, various types of mortgages, mortgage-backed securities, recent development in mortgage markets • Equity market: Initial Public Offerings, portfolio theory, Gordon growth model of equity pricing, Capital Asset Pricing Model • Derivative market: forward, futures, options and swaps, cost of carry theory, call-put parity relationship, arbitrage, hedging and speculation • Foreign exchange market and international financial system: purchasing power parity theory, asset market approach in exchange rate determination, foreign exchange intervention and money supply, various exchange rate regimes, international considerations and monetary policy
<p>Contact Hours/Scheduled Hours</p>	<p>Contact will be 3 hours per week consisting of a combination of interactive lectures and seminars.</p>
<p>Teaching and Learning Methods</p>	<p>The lectures are designed to provide a framework for discussion and analysis. They will provide insights into issues and debates, as well as highlighting the importance of people, places and events. The lectures will set out the context in which a more detailed examination is undertaken in the seminars. The lectures will be delivered with the aid of PowerPoint slides, which will be uploaded on Blackboard in advance. Some lectures will include interactive sessions when students will be encouraged in discussing and debating on relevant topics.</p> <p>The seminars are designed to enable students to investigate an issue or theme in greater detail. The onus is on student to keep up to date with the reading on a weekly basis. Seminars work better if everyone has done some preparatory reading, has thought about interesting questions to ask and has come along prepared to discuss the theme in question. Students will be encouraged to explore the wide variety of material contained in our library, which can be equally useful when preparing for a seminar or writing an essay. Equally important, they will be strongly encouraged to use journal articles and get into the habit of using the journals for all facets of the work.</p> <p>In addition staff will be available during the semester during their office hours (2 hours a week) for face to face meetings.</p> <p>Queries and extended discussions with staff can also be approached virtually through e-mail.</p> <p>Extensive use will be made of Blackboard for weekly guided independent study work; to support students' learning; to facilitate interactions between students e.g. for group project work and to provide feedback with quizzes and forums.</p> <p>Students will also be directed towards the University Library online Study Skills resources for the development of skills appropriate to the level and style of the module. In addition a number of e-learning resources will also be used:</p> <ul style="list-style-type: none"> • The MySkills Study Skills website at http://www.uwe.ac.uk/library/resources/hub/ • Skills4study (s4s) as part of the MySkills resource [Academic reading and note making; Critical thinking; Academic writing; Referencing and plagiarism] • iSkillzone http://iskillzone.uwe.ac.uk

	<p>[workshops for information retrieval, referencing, evaluation skills and literature reviewing http://www1.uwe.ac.uk/library/help.aspx]</p> <ul style="list-style-type: none"> • Learn Higher http://www.learnhigher.ac.uk/Students.html
<p>Reading Strategy*</p>	<p>All students will be encouraged to make full use of the print and electronic resources available to them through membership of the University. These include a range of electronic journals and a wide variety of resources available through websites and information gateways. The University Library web pages provide access to subject relevant resources and services and to the library catalogue. Many of these resources can be accessed remotely. Students will be presented with opportunities within the curriculum to develop their information retrieval and evaluation skills in order to identify such resources effectively.</p> <p>Students will be directed and expected to undertake essential reading throughout the module. However, depending upon specific topics addressed over the course of the module, students will be expected to undertake additional reading for themselves. A list of indicative textbooks and relevant journals is provided below but students are expected to recognise that these may be starting points only and that they should extend their reading as widely as is necessary to demonstrate a comprehensive knowledge.</p> <p>Blackboard – This module is supported by Blackboard, where students will be able to find all necessary module documentation, including guidance on Further Reading within the module handbook/outline. Direct links to information resources will also be provided from within Blackboard</p> <p>UWE Libraries – Engagement with online resources available through the library will be a core requirement of this module.</p> <p>There is no essential text for this module; however, we will suggest useful foundational texts to which they could refer. Students will be provided with a wide variety of written, audio and video texts that will be taken from recommended text books, journal articles, national and international newspapers and websites. Journal articles will be available electronically, or in the library. Students will be guided throughout the module as to the appropriate texts. Module guides will also reflect the range of reading to be carried out. Students will be told texts to read from books and from academic papers within the module handbook. Online videos and audio recordings will be recommended too of economists and policy makers.</p>
<p>Indicative Reading List</p>	<p>The following list is offered to provide validation panels/accrediting bodies with an indication of the type and level of information students may be expected to consult. As such, its currency may wane during the life span of the module specification. CURRENT advice on additional reading will be available via the module guide or Blackboard pages.</p> <p>Recommended Reading from:</p> <p>Mishkin, F. (2010). <i>Economics of Money, Banking and Financial Markets</i>, London: Pearson</p> <p>Howells, P. G. A. and K. Bain (2008). <i>The Economics of Money, Banking and Finance</i>, 4th ed., London: Prentice Hall</p> <p>Kidwell, S., Peterson, R., Blackwell, D. and D. Whidbee (2009). <i>Financial institutions, markets, and money</i>, 10th ed., New York: Wiley</p> <p>Bodie, Z., Kane, A. and Marcus, A. (2009). <i>Investments</i>, International ed., London: McGraw-Hill</p> <p>Howells, P. G. A. and K. Bain (2003). <i>Financial Markets and Institutions</i>, London:</p>

	<p>Prentice Hall</p> <p>Bailey, R. E. (2005). <i>The Economics of Financial Markets</i>, Cambridge: Cambridge University Press</p> <p>Benninga, S. (2006). <i>Principles of Finance with EXCEL</i>, Oxford: Oxford University Press</p>
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Part 3: Assessment

<i>Assessment Strategy</i>	<p>This module deploys a mix of formative and summative assessment. Formative assessment takes various forms and will occur throughout the module; it may include peer feedback on informal activities. The tutor will also make a non formal assessment of students' knowledge and abilities throughout the semester. In lectures and seminars, the tutor will ask questions of students about the module and provide instant feedback.</p> <p>Summative assessment will employ two vehicles: a coursework in the form of a 2000 word essay and a formal 2-hour written exam.</p> <p>These two methods have been chosen to make a thorough assessment of students' knowledge and skill. The essay is designed to allow students broaden their knowledge of one particular aspect of the course of their choosing. And the formal exam will cover all aspects of the module which will allow assessment of students' broad knowledge.</p>
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Identify final assessment component and element	Component A	
% weighting between components A and B (Standard modules only)	A: 50%	B: 50%

First Sit	
Component A (controlled conditions) Description of each element	Element weighting
1. Examination	100%
Component B Description of each element	Element weighting
1. Essay: 2,000 words	100%

Resit (further attendance at taught classes is not required)	
Component A (controlled conditions) Description of each element	Element weighting
1. Examination	100%
Component B Description of each element	Element weighting
1. Essay: 2,000 words	100%

If a student is permitted an **EXCEPTIONAL RETAKE** of the module the assessment will be that indicated by the Module Description at the time that retake commences.