UNIVERSITY OF MANAGEMENT AND ECONOMICS

APPROVED BY
THE STUDY COMMISSION
Minutes No. 02-12-2026-15
as of 27th August 2026

FINANCIAL MARKETS AND INSTITUTIONS

Course code	*FIN105*
Compulsory in the programmes	*Finance, Economics and Data Analytics*
Level of studies	*Undergraduate*
Number of credits	*6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)*
Course coordinator (title and name)	*Jekaterina Govina*
Prerequisites	*Principles of Finance*
Language of instruction	*English*

THE AIM OF THE COURSE:

This course provides a unified framework for illustrating the financial markets, institutions, and instruments in a contemporary context. It focuses on the structure and regulation of various markets in financial instruments, the operation of banks and non-bank financial institutions, regulation and its effect on financial institutions, risks faced by the managers of financial institutions, and the methods, markets, and instruments for managing these risks.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives (Number of LO)	Assessment methods	Teaching methods
CLO1. Illustrate the roles and functions of financial markets, institutions, and instruments in mitigating different types of risk	BLO1.1 ELO1.1	Midterm, group paper, final exam	Lectures, seminars
CLO2. Observe the current market environments and analyse the theoretical rationales behind the investment choices.	BLO1.2 ELO1.2	Group paper, final exam	Lectures, seminars
CLO3. Assess the macro-prudential policies from various investor's perspectives	BLO2.1 ELO2.1	Midterm, final exam	Seminars
CLO4. Illustrate various incentives and motivations for different financial actors (including regulators) and analyse their interactions	BLO2.1 ELO2.1	Midterm, group paper, final exam	Seminars
CLO5. Critically evaluate the recent financial news articles and relevant research in financial markets as a method to identify the trends in the markets	BLO4.1 ELO4.1	Group paper and its presentation	Seminars

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM reminds students that they are expected to adhere to and maintain the same academic honesty and integrity that they would in a classroom setting.

ARTIFICIAL INTELLIGENCE (AI) USAGE POLICY

This course adopts a partial-allowance approach to the use of artificial intelligence tools. AI tools may be used to support learning within the limits described below, but they are not a substitute for the student's own understanding, analysis, and writing. Students remain fully responsible for the accuracy, originality, and academic integrity of everything they submit. All course participants must comply with the ISM University of Management and Economics Artificial Intelligence Policy published on the e-learning platform.

Group paper and presentation: Students may use AI tools to enhance their understanding of the topic, identify relevant theories, and find applicable examples. AI-generated information must be cross-verified with credible sources. AI tools may also be used to improve efficiency in working with literature sources or data analysis, as well as to improve the quality of written English, including grammar and style. AI-generated content is not considered a reliable academic source and should not be cited as such. The submitted paper must be written by the students. The inclusion of AI-generated text in the final submission is not permitted. Any use of AI tools beyond the purposes specified above must be aligned with the course instructor.

Seminars and in-class assignments: Students are expected to complete seminar tasks independently. AI tools may be used only for clarification or advice, unless otherwise specified in the assignment description or by the course instructor.

Midterm and final examinations: Both examinations are written in class in a closed-book format. The use of AI tools during examinations is not permitted and will be treated as academic dishonesty.

COURSE OUTLINE

Topic	In-class hours	Readings
1. Introduction to financial markets and institutions Main roles of financial markets and institutions Asymmetric information Why do financial Institutions exist?	4	B.1. Chapters 1.1., 2.2., and 7.1.
2. Trading money – the art of commercial banking What are the core roles of banks in the economy? Commercial Banks Main risks in the banking Regulation – why and what	6	B.1. Chapters 17.1, 18.2, 19.3 B.2. Chapters 11, 12,13 Readings Case study
3. Credit unions and microfinance institutions Specifics of non-banking financial institutions The role, past and future	4	B.2. Chapter 14 Readings
4. **Insurance companies, pension funds and the asset management industry** Main characteristics and risks Why are they important for the financial market? The future of those financial institutions	4	B.1. Chapters 21.5 B.2. Chapters 15,18
5. Investment Banks, Security Brokers and Dealers, and Venture Capital Firms	6	B.1. Chapters 22.6 B.2. Chapters 16,17
Midterm examination	2	Topics 1-5
6. Bond and Stock market	4	B.1. Chapters 12.2, 13.3 B.2. Chapters 6, 8

7. Money Market and Foreign Exchange Market	4	B.1. Chapters 11.1, 15.5 B.2. Chapters 5, 9
8. Derivatives Market	4	B.1. Chapters 24.2 B.2. Chapter 10 Readings
9. Risks Incurred by Financial Institutions Main type of risks (not covered under previous topics) Risk Management in today's financial institution	4	B.1. Chapters 23.1 B.2. Chapters 20 Readings
10. Financial technology (FinTech) sector: innovation and the digitalisation of financial markets	2	Readings posted on e-learning
11. Payments infrastructure and companies and their role in money flow	2	Readings posted on e-learning
12. Blockchain and the crypto economy	2	Readings posted on e-learning
	Total: 48 hours	
CONSULTATIONS	6	
FINAL EXAM	2	Topics 6-12

FINAL GRADE COMPOSITION

Type of assignment	**%**
Group Components 25%	
• Group paper and presentation	25
Individual Components 75%	
• Midterm	30
• Final exam	45
Total:	**100**

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

1. *Midterm examination:* It is written in class, closed book and in test format. It is designed to tackle the major concepts and themes characterising financial markets and institutions at large.

2. *Group paper and presentation:* It should be 2,000-2,500 words (excluding bibliography and appendices) on the topic of your choice (subject to approval by the lecturer). It is evaluated based on not only the depth of knowledge but also the coherence of the argument vis-à-vis the chosen research question. Some interesting case studies from *the Economist*, *Financial Times*, and *Bloomberg* are good starting points, while challenging and creative analyses are encouraged and welcomed. The group should consist of 3-6 students.

   Each group presents their findings (10 minutes) followed by a Q&A session, during which the authors have an opportunity to clarify some of the items unclear in the paper.

3. *Final examination:* It is written in class, closed book and in test format. It is designed to assist your critical thinking on issues related to financial markets and risk management.

NB: You must obtain at least 5.0 points (out of 10.0) for *each* assignment to be counted for the total score.

Assessment requirements, procedures, and other important regulations may be communicated verbally during lectures. Failure to attend a lecture where such information is provided does not exempt the student from the responsibility to comply with these requirements

Additionally, an *oral exam* (‘*viva voce*’) is carried out when a lecturer requires further explanations on the submitted papers. The aim of the oral exam is to clarify what the students have written and how they understand the concepts/data in question.

RETAKE POLICY

The *retake* examination for the students who do not meet the passing score is normally scheduled 1-2 weeks after the announcement of the final grades. The retake examination covers the materials from the entire course, and it is worth 75% of the total grade (the remaining 25% comes from the group paper and presentation).

ADDITIONAL REMARKS

Regular attendance is strongly encouraged. If for some reason you need to miss a class, please notify the lecturer *beforehand*. The same etiquette rule applies to your peers when you gather for group projects.

REQUIRED READINGS

B.1. Frederic S Mishkin, Stanley Eakins (2018) Financial Markets and Institutions, 9th edition
B.2. Anthony Saunders, Marcia Cornett and Otgo Erhemjamts, (2022) Financial Markets and Institutions, 8th Edition
R. Readings posted on e-learning

ADDITIONAL READINGS

For each lecture, please read the relevant chapter(s) – the connection between the topic of the day and chapter(s) should be straightforward. For our in-class discussions, students must refer to relevant academic and/or news articles to highlight current issues linked to the topic of the day. No formal presentations are required, however.

ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning Objectives for the Bachelor of Business Management
Programmes:
International Business and Communication,
Business Management and Marketing, Finance,
Industrial Technology Management

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science
Programmes:
Economics and Data Analytics,
Economics and Politics

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper