

# Financial Institutions

## Course Outcome Summary

### Course Information

<b>Organization</b>	Madison Area Technical College
<b>Developers</b>	Peggy A. Boerman
<b>Development Date</b>	5/9/2002
<b>Revised Date</b>	3/8/2004
<b>Course Number</b>	10-102-128
<b>Instructional Level</b>	Associate Degree
<b>Potential Hours of Instruction</b>	54
<b>Total Credits</b>	3

### Description

Introductory-level course which considers the role of financial institutions in the economy. Topics include financial intermediation, the Federal Reserve System, financial markets and instruments, and non-bank financial institutions, including savings and loan associations, credit unions, finance companies, insurance companies, pension funds, mutual funds and government financial institutions

### Types of Instruction

Instruction Type	Contact Hours	Credits
Classroom Presentation	54	3

### Textbooks

Burton, Nesiba, Lombra. *An Introduction To Financial Markets and Institutions*. Thompson, South-Western. 2003. ISBN: 0-324-06696-1.

### Learner Supplies

Financial Calculator. **Manufacturer:** ---.

### Exit Learning Outcomes

#### Core Abilities

A. Global Awareness

### Competencies

A. **Examine the role of financial markets and institutions in a modern economy**

#### Linked Core Abilities

Global Awareness

#### Competence will be demonstrated:

A.1. by completing all homework when due

A.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- A.1. you distinguish between direct and indirect finance
- A.2. you differentiate between fiscal policy and monetary policy
- A.3. you determine how money is measured

**B. Explain the role of the Federal Reserve Bank**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- B.1. by completing all homework when due
- B.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- B.1. you explain the basic history of the Fed
- B.2. you explain the basic organization structure of the Fed
- B.3. you examine the basic functions of the Fed, including supervision, payment facilitation and U.S. fiscal agency
- B.4. you explore the major policy tools of the Fed
- B.5. you determine the intended impact of Fed actions on monetary policy

**C. Classify financial markets and instruments**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- C.1. by completing all homework when due
- C.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- C.1. you characterize the money and capital markets
- C.2. you explore major money and capital market financial instruments
- C.3. you classify financial markets as primary or secondary markets
- C.4. you distinguish between the role of brokers and dealers in the financial markets

**D. Explain the major determinants of interest rates**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- D.1. by completing all homework when due
- D.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- D.1. you explain the terms compounding and discounting and how it relates to interest rates
- D.2. you explain why interest rates and bond prices are inversely related
- D.3. you determine how the major determinants of interest rates impact the rates

**E. Examine the basic characteristics of the stock, bond and mortgage markets**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- E.1. by completing all homework when due
- E.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- E.1. you use the terms basic stock, bond and mortgage appropriately
- E.2. you explain common bond provisions
- E.3. you distinguish between debt and equity markets
- E.4. you differentiate between common and preferred stock
- E.5. you distinguish between stock exchanges and over-the-counter markets
- E.6. you explain the basic characteristics of a mortgage
- E.7. you examine the different types of mortgages

**F. Characterize the major types of other financial intermediaries**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- F.1. by completing all homework when due
- F.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- F.1. you distinguish the characteristics of finance, insurance, pension and mutual fund companies
- F.2. you explain the characteristics that differentiate non-depository institutions
- F.3. you explore the basic products and services provided by finance, insurance, pension and mutual fund companies
- F.4. you investigate the trends in finance, insurance, pension and mutual fund companies
- F.5. you summarize the major assets and liabilities of finance and insurance companies
- F.6. you explore the risks faced by depository institutions

**G. Characterize the major types of depository institutions**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- G.1. by completing all homework when due
- G.2. by passing a closed book exam with at least 70% correct

**Criteria - Performance will be satisfactory when:**

- G.1. you explore the characteristics common to all depository institutions
- G.2. you explore the characteristics that differentiate depository institutions
- G.3. you examine the trends in depository institutions
- G.4. you explore the major assets and liabilities of depository institutions
- G.5. you explain how the role of depository institutions has changed over the past 100 years
- G.6. you describe the risks faced by depository institutions

**H. Investigate financial market regulation**

**Linked Core Abilities**

Global Awareness

**Competence will be demonstrated:**

- H.1. by completing all homework when due

**Criteria - Performance will be satisfactory when:**

- H.1. you identify the major banking regulations
- H.2. you evaluate the advantages and disadvantages of regulations
- H.3. you investigate the impact of major regulations on the industry

**I. Utilize financial calculator in bond and mortgage applications**

**You will demonstrate your competence:**

- I.1. by completing all homework when due
- I.2. by passing a closed book exam with at least 70% correct

**Your performance will be successful when:**

- I.1. you compute the issue price of a bond using a financial calculator
- I.2. you compute the monthly payment of a mortgage