SYLLABUS

NAME OF COURSE: Financial Institutions and Markets
COURSE NUMBER: FINC-543
Date: 03 September 2012
(FALL 2012)

THE AMERICAN UNIVERSITY IN CAIRO
School of Business
Department of Management

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Course Prerequisites: Acceptable level of Algebra and Calculus

Vision of the School of Business

The School of Business sees itself becoming globally recognized as the leading business school connecting the region and the world.

Mission of the School of Business

The School of Business strives to create an environment that fosters the development of principled and innovative business leaders and entrepreneurs who can make a difference.

Mission of the Department of Management

Our mission is to develop business leaders who are dedicated to the betterment of society by providing a high quality business education to top caliber students from all segments of Egyptian society as well as from other countries while focusing on continuous improvement and a commitment to excellence in learning, intellectual contributions and service.

In support of this mission the department:

- Provides a high quality contemporary-style business education that blends a global perspective with national cultures and is relevant to the business needs of Egypt and the region.
- Provides programs that encourage the development of an entrepreneurial spirit that emphasizes creativity, innovation, individual initiative and teamwork
- Provides a learning environment that fosters faculty/student communication and promotes lifelong learning and career development
- Encourages faculty development activities that improve teaching, maintain competence and that keep faculty current with ideas and concepts in their field.
- Seeks to develop a portfolio of intellectual contributions to learning and pedagogy, to practice, and to the theory and knowledge base of the disciplines.
Course Outline and Course objectives
This course aims at acquainting the students with a wide range of instruments for financing, investing and controlling risks. The Financial instruments presented and studied during this course covers equities, fixed income products and financial derivatives.

Furthermore, the course will cover the different types of markets whereby governments and non-governments issue and trade financial instruments. Additionally, main market participants and their role in financial markets will be covered during the course.

The ultimate aim is to provide students with an intermediate level of knowledge of financial instruments and institutions.

Competency coverage
This course is an intermediate level in finance and starts with explaining the basics and the moves to more complex areas of finance.

Teaching Method:
The course will be based on power point presentations covering the selected topics.

Course Guidelines:

Text and other reading materials
1- “Capital Markets: Institution and Instruments” by Frank Fabozzi and Franco Modigliani.
3- “Advanced Modeling in Finance using Excel and VBA” by Mary Jackson and Mike Staunton.

Grading System:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mid Term</td>
<td>30%</td>
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<tr>
<td>Project</td>
<td>15%</td>
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<td>Participation</td>
<td>15%</td>
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<tr>
<td>Assignments</td>
<td>10%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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Attendance
As stated in the university catalog, “students are expected to attend class; there is no system of permitted absences.” Students may not normally receive credit for a course if more than three weeks of classes (or their equivalent in summer school) is missed. Students are also expected to be very punctual. For a complete explanation of AUC’s attendance policy, please the AUC 2010/2011 Catalog.

The University Academic Integrity Policy
All students are expected to agree to and comply with the University Academic Integrity Policy which states

“Valuing the concepts of academic integrity and independent effort, the American University in Cairo expects from its students the highest standards
of scholarly conduct. The University community asserts that the reputation of the institution depends on the integrity of both faculty and students in their academic pursuits and that it is their joint responsibility to promote an atmosphere conducive to such standards.”

Detailed information about the University Academic Integrity Policy may be found in the University Catalog and on the University Web site.

**Schedule and Topics to be Covered**

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<tr>
<th>S</th>
<th>Date</th>
<th>Topic</th>
<th>Chapter(s)</th>
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| 1 | 04 September, 2012 | Introduction  
Overview of Market Participants and Financial Innovation          | Fabozzi 1  
Fabozzi 2         |
| 2 | 11 September, 2012 | Asset Management Firms                                              | Fabozzi 5           |
| 3 | 18 September, 2012 | Investment Banking Firms                                            | Fabozzi 6           |
| 4 | 25 September, 2012 | Primary and Secondary Markets  
Risk and Return Theories: I                                          | Fabozzi 7  
Fabozzi 8           |
| 5 | 02 October, 2012  | Risk and Return Theories: I                                        | Fabozzi 8  
Fabozzi 9           |
| 6 | 09 October, 2012  | Risk and Return Theories: II                                       | Fabozzi 9           |
| 7 | 16 October, 2012  | Review                                                              |                     |
| 8 | 23 October, 2012  | Mid Term Exam                                                       |                     |
| 9 | 30 October, 2012  | Introduction to Financial Futures Markets:  
Mechanics of Futures market,  
Hedging strategies using futures,  
Determination of Forward and future prices.                        | Fabozzi 10  
(Hull 2 & 3 & 5) |
| 10| 06 November, 2012 | Introduction to Financial Futures Markets:  
Mechanics of Futures market,  
Hedging strategies using futures,  
Determination of Forward and future prices.                        | Fabozzi 10  
(Hull 2 & 3 & 5) |
| 11| 13 November, 2012 | Introduction to Options Markets:  
Properties of Stock Options,  
Trading Strategies involving options,  
Valuation of Options.                                                | Fabozzi 11  
(Hull 10 & 11 & 12) |
| 12| 20 November, 2012 | Introduction to Options Markets:  
Properties of Stock Options,  
Trading Strategies involving options,  
Valuation of Options.                                                | Fabozzi 11  
(Hull 10 & 11 & 12) |
| 13| 27 November, 2012 | The Term Structure of Interest Rates  
Money Markets                                                          | Fabozzi 19  
Fabozzi 20         |
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<tr>
<th>Date</th>
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<tbody>
<tr>
<td>04 December, 2012</td>
<td>Review + Group Presentation</td>
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<tr>
<td>11 December, 2012</td>
<td>Final Exam</td>
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