

Math G4802: Risk Management and Regulation

Assignment 2

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Due next Thursday by 1:00 pm.

For help, please post questions on the Q&A tab in Piazza:

https://piazza.com/columbia/fall2016/mathg5320_001_2016_3/home

1. Banks

Compare and contrast community banks, savings and loans, and credit unions.

2. Investment banks

Name 3 functions of investment banks that commercial banks do not participate in.

3. Market facilitators

Name 3 broker-dealers, 3 exchanges, and 3 clearing houses.

4. Regulatory agencies

For each of the following institutions, list the regulatory agencies that regulate them. More than one may apply.

(a) Regional bank

(b) National bank

(c) Bank holding company

(d) US branches of foreign banks

(e) Hedge fund

(f) Broker/dealer

5. Pensions and Insurance

Defined benefit pension plans and insurance companies both must take in and invest funds for potential long term future payouts. Why do such pension plans run into financial trouble more often than insurance companies?