

# SYLLABUS



<b>Nombre del Curso</b>	<b>Sistemas Financieros</b>
<b>Código del Curso</b>	1F0124
<b>Departamento Académico</b>	<b>Finanzas</b>
<b>Año y Semestre Académico</b>	<b>2023.01</b>
<b>Sección</b>	<b>A &amp; B</b>
<b>Nombre del Docente</b>	<b>Vicente M. León</b>
<b>Oficina</b>	<b>I -509</b>
<b>Citas</b>	<b>By appointment</b>
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## I. SUMMARY

This course will provide an overview of various financial markets, their history, participants, regulation, and products. The course will cover financial institutions such as commercial banks, mutual funds, investment banks and hedge funds, their interaction, and role in the development of financial markets.

The course will be conducted in English.

## II. OBJECTIVES

- Understand the relevance of local and global financial markets and how the financial markets interact with each other.
- Analyze how the connection between financial markets impacts economic and social policies, locally and globally.
- Identify key issues, risks and mitigants related to the global capital markets.
- Cultivate an interest in current and historical events related to the local and global financial markets.

## III. CORE COMPETENCIES TO DEVELOP

- Critical thinking as it relates to financial events.
- Learn language related to the financial industry.
- Develop writing, debating and presentation skills as you analyze and discuss financial news and course materials.
- Understand different facets of the financial sector in which you could specialize as you evolve academically and professionally.

## IV. CONTENT

Unit 1: **Introduction:** Behavioral finance, asymmetric information, adverse selection, moral hazard

Unit 2: **Central Banks:** The Fed and the BCRP

Unit 3: **Capital Markets:**

- (A) Fixed income
- (B) Variable income

(C) Mortgages

(D) Fundamentals of trading fixed and variable income securities

**Unit 4: Financial Institutions:**

(A) Commercial Banks: asset-liability management, measuring performance (CAMELS), measuring risk (RWA, VAR, Mark-to-market), interaction between local and global financial markets

(B) Mutual Funds

(C) Hedge Funds

**Unit 5: Regulation in the Financial Markets**

**V. TEACHING METHODS**

Will include lectures, discussion of recent news and case studies, preparation of essays and student presentations that incorporate the textbook and various media, such as newspapers, magazine articles, podcasts, and film.

The class will incorporate the use of the Bloomberg Lab.

**VI. GRADING**

The final grade will be comprised of 30% mid-term examination, 30% final examination, 20% oral team presentations (2 presentations, each 10%), and 20% class engagement.

**VII. TIMETABLE**

The following topics will be covered in essentially the following order:

- Introduction to Financial Markets
  - o Behavioral Finance
  - o Why study financial markets?
  - o Overview of financial systems
  - o Are financial markets efficient?
- Central Banks
  - o The Fed
  - o BCRP
- Fixed Income Markets
  - o Process of issuing bonds
  - o Participants in the fixed income market
  - o Ratings
  - o Loans versus Bonds
  - o Fundamentals of trading bonds
- Variable Income (Equity) Markets
  - o When to issue equity
  - o Process of issuing equity
  - o Equity versus debt

- Financial Institutions
  - o Role of financial institutions
  - o Asset-liability management
  - o Measuring performance
  - o Measuring risk
  - o Commercial banking strategies: local market shares, global banks
- The Financial Institutions sector
  - o Commercial banks
  - o Mutual Funds
  - o Hedge funds
  - o Investment banks
- Regulation in the Financial Markets

## **VIII. BIBLIOGRAPHY**

Required text:

- Mishkin, Frederic S. & Eakins, Stanley G. *Financial Markets and Institutions*, Ninth edition, Prentice Hall

Other materials:

- Articles from newspapers (e.g. NYT, FT, WSJ, Gestión), Bloomberg and magazines (The Economist, Forbes, Semana Economica)
- Podcasts, films, and documentaries