

## **Learning Objectives**

- Identify the unique characteristics of financial markets.
- Recognize the types of financial instruments traded in financial markets.
- Recognize how economic variables (such as interest rates and monetary policy) and financial risks impact financial market activity.

### **CHAPTER 1 – FINANCIAL MARKETS & INTERMEDIARIES**

- 1.1 OVERVIEW OF FINANCIAL MARKETS
- 1.2 STRUCTURE OF FINANCIAL MARKETS
- 1.3 PRICING THEORY IN FINANCIAL MARKETS
- 1.4 FINANCIAL INTERMEDIARIES

### **CHAPTER 2 – INTEREST RATES**

- 2.1 OVERVIEW OF INTEREST RATES
- 2.2 DETERMINATION OF INTEREST RATES
- 2.3 RISK STRUCTURE OF INTEREST RATES
- 2.4 TERM STRUCTURE OF INTEREST RATES

### **CHAPTER 3 – CENTRAL BANKING AND MONETARY POLICY**

- 3.1 THE FEDERAL RESERVE SYSTEM
- 3.2 MONETARY POLICY
- 3.3 THE MONEY SUPPLY

### **CHAPTER 4 – MONEY MARKETS**

- 4.1 INTRODUCTION TO MONEY MARKETS
- 4.2 MONEY MARKET INSTRUMENTS

### **CHAPTER 5 – CAPITAL MARKETS (PART I)**

- 5.1 THE BOND MARKET
- 5.2 TYPES OF BONDS
- 5.3 THE STOCK MARKET

### **CHAPTER 6 – CAPITAL MARKETS (PART II)**

- 6.1 THE MORTGAGE MARKET
- 6.2 MORTGAGE SECURITIZATION PROCESS
- 6.3 TYPES OF MORTGAGE-BACKED SECURITIES

### **CHAPTER 7 – FOREIGN EXCHANGE MARKETS**

- 7.1 INTRODUCTION TO FOREIGN EXCHANGE MARKETS
- 7.2 FOREIGN EXCHANGE RATES
- 7.3 FOREIGN EXCHANGE TRANSACTIONS
- 7.4 INTERNATIONAL ARBITRAGE

### **CHAPTER 8 – DERIVATIVES MARKETS**

- 8.1 FINANCIAL RISK MANAGEMENT
- 8.2 FORWARD MARKETS
- 8.3 FUTURES MARKETS
- 8.4 SWAP MARKETS
- 8.5 OPTIONS MARKETS