

VUZF University

SYLLABUS

FOR THE STATE EXAM OF STUDENTS – MAJOR IN FINANCIAL MANAGEMENT AND MARKETING

1. Money. Money demand and money supply. Deposit multiplier. The money supply model.
2. Interest rates. Loan demand and supply.
3. Role and function of the central banks. Structure of the bank balance sheets. Required reserves requirement.
4. Money demand. Keynesian and monetary model. Empirical models and results.
5. Money supply and inflation. Types of inflation.
6. Characteristics of loans. Basic loan requirements – short term loans, long term loans, collaterals (types of collaterals), haircuts, restrictive covenants. Credit default swaps (CDS).
7. Commercial banks - structure and function. CAMEL ratings. Bank holding companies. Bank consolidations.
8. Asymmetric information – adverse selection and moral hazard. Credit risk assessment. Conflicts of interest.
9. Mutual Funds and Hedge Funds – structure and regulation.
10. Investment banks. Securities brokers and dealers. Private equity investment and buyouts.
11. Money market instruments - Treasury Bills (T-Bills), Commercial papers, Repurchase agreements, Negotiable certificates of deposit, Banker's acceptance.
12. General principles of bank management – liquidity management, asset/liability management, capital adequacy management.
13. Characteristics of deposits. Types of deposits.
14. Regulation of the banking system. Objectives of bank regulation. Types of bank regulation. International bank regulation – Basel I, II and III.
15. Financial innovation and the future of banking.
16. The tax system. Corporate taxes. Income taxes. Value added tax (VAT).
17. Budget planning and forecasting. Preparation of cash flows. Cash flow management and project NPV calculation.
18. Cost benefit analysis (CBA) of investment projects.
19. Accounting for corporations - dividends and dividend payments.
20. Corporate bonds – characteristics of bonds, calculating bond yield. Types of bonds. Municipal bonds – role and function.
21. Stock exchange and the role of the capital market. Characteristics of stocks, price of common and preferred stocks.
22. Financial market failure and banking crisis.
23. Characteristics of the residential mortgage. Types of mortgage loans. Secondary mortgage market. Securitization of mortgages.
24. Marketing of a financial organization. Marketing concepts. Marketing mix. Market segmentation and product positioning.

Relevant reading

1. Mishkin, F.S. & Eakins, S.G. (2012) *Financial Markets and Institutions*. International 7th edition, Pearson Education

2. Buckle, M. and Thomson, J.L. (2004) *The UK Financial System: Theory and Practice*. 4th edition, Manchester University Press.
3. Cecchetti, S.G. (2008) *Money, Banking and Financial Markets*. 2nd edition, McGraw-Hill-Irwin
4. Fabozzi, F.J., Modigliani, F. (2009) *Capital Markets: Institutions and Instruments*, 4th edition, Prentice Hall.
5. Howells, P. & Bain, K. (2007) *Financial Markets and Institutions*. 5th edition, Prentice Hall-Financial Times Press.
6. Kidwell, D.S., Peterson, R.L., Blackwell, D.W. & Whidbee, D.A. (2008) *Financial Institutions, Markets and Money*. 9th edition, Willey
7. Stowell, D.P. (2010) *Investment Banking, Hedge Funds and Private Equity: The New Paradigm* Academic Press, Elsevier Inc.
8. Valdez, S. (2007) *An Introduction to Global Financial Markets*. 5th edition, Palgrave-MacMillan
9. Viney, C. (2007) *Financial Institutions, Instruments and Markets*. 5th edition, McGraw-Hill-Irwin
10. Begg, D. Fischer, S. and Dornbusch, R. (2011). *Foundations of economics*. McGraw-Hill-Irwin