

MODULE DESCRIPTOR

MODULE TITLE	Introduction To Financial Services Markets		
MODULE CODE	AC2650 (L5)	CREDIT VALUE	20 credits/ 10 ECTS
SCHOOL	SCHOOL OF BUSINESS AND MANAGEMENT		

MODULE AIMS

This module aims to provide an introduction to the nature of financial service providers, the markets in which they operate, the financial instruments they use and the nature and effectiveness of their regulation. Some comparisons will be made between the nature of home market operations and their regulation and that existing in overseas markets. Available as an elective, this module should be of interest to those who may require an appreciation of financial services in their future careers.

MODULE CONTENT

This module builds upon introductory accounting and economics units already studied by students and although applied in nature will take the following areas of study to an intermediate level.

- The monetary economy and its development from a barter economy. A review of the functional and empirical approaches to a definition of money.
- An outline of the functions of financial and capital markets, including flow of funds analysis and models of investment / saving behaviour.
- Institutions involved in the provision of personal financial services; the nature of financial intermediation and types of financial intermediaries.
- Markets for personal financial services: personal sector sources and uses of capital funds; requirements of borrowers and lenders; a review of the key financial instruments traded in the different markets.
- Banks and personal financial services: the creation of deposits; banks balance sheets; objectives and portfolio asset management in relation to the personal sector.
- The impact of deregulation upon the activities of bank financial intermediaries. The regulatory framework, including a review of the relevant banking legislation and the role of the regulator in the process of prudential control.
- The role of mortgage providers: objectives; traditional savings and mortgage markets; wholesale funding; financial statements; mutual status and control; efficiency, concentration and mergers.
- The provision of wider financial services by mutual savings organisations and a review of the relevant regulatory structure: Capital reserves and management; loans and mortgage facilities; investment and life assurance services; estate management services; conversion to plc status.
- Structural change and competition in the personal financial services sector.
- The stock market and the expansion of direct equity investment. The Internationalisation of equity markets and their comparative operations regulation.
- An outline of the structure and functions of insurance markets including a review of the parties who transact insurance business. A discussion of the way in which insurance operates.

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- Background to Financial Services legislation; investment and investment business; the role of any securities regulator and of recognised professional bodies; the attainment and retention of authorised status; the conduct of business; 'introducers'; enforcement measures; costs.
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INTENDED LEARNING OUTCOMES

On successful completion of this module a student will be able to:

1. Compare the operations of bank and non-bank financial intermediaries and evaluate the general regulatory framework within which they operate.
 2. Discuss the adequacy of the regulatory framework and, where appropriate, make comparisons with overseas activities.
 3. Identify likely future developments within the personal financial services sector.
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TEACHING METHODS

Class contact time will be one lecture per week, and one group session each week. Seminar material will focus on questioning the lecture material, highlighting recent topical developments in the marketplace as well as considering the more difficult conceptual aspects of the syllabus. The students will be expected to demonstrate their learning during seminar discussions.

Financial Services at this level is a subject that, for the student, involves acquiring knowledge, developing conceptual models, critical appraisal of those models and applying those models to real world situations.

The teaching strategy supports this in highlighting and explaining the key features of the markets and the models for regulation (as exemplars) and then encouraging students to develop their own skills.

Students' main participation in learning activities is working on their own and preparation of material for group sessions. Every group session provides opportunities for student input, though this is not mandated by formal presentations. Theory and practice are integrated in the discussion of financial market activities and of current problems or changes in market structure and in approaches to regulation. The module is structured to facilitate student-centred learning.

Students will draw on and enhance graduate attributes of planning, communication, literacy and analysis which aid employability with the accounting and finance professions and careers in general business management.

ASSESSMENT METHODS

This module is assessed through an essay or report (50%) and a test (50%).