



Boston University Study Abroad London

Boston University Study Abroad London European Capital Markets CAS EC 346 (*Elective A*)

Course Description

This course is designed to introduce students to Global financial markets with an emphasis on the European dimension. Students will learn about various international financial markets such as the foreign exchange market, the Eurocurrency market and Eurobond market. In addition, students will study a range of financial instruments such as bills and bonds, forwards, futures and options. The course will also mention topical issues such as European Monetary Union and International Financial Crisis. A number of specific case studies are included in the course to illustrate how finance operates in the real world.

Hub Learning Outcomes

Quantitative Reasoning 1 (QR)

1. Students will demonstrate their understanding of core conceptual and theoretical tools used in quantitative reasoning, such as statistics, computing, and mathematics.
2. Students will interpret quantitative models and understand a variety of methods of communicating them, such as graphs, tables, formulae, and schematics.
3. Students will communicate quantitative information symbolically, visually, numerically, or verbally.
4. Students will recognize and articulate the capacity and limitations of quantitative methods and the risks of using them improperly.

Hub Aligned Objectives

Understand the functioning and linkages between modern financial markets such as the foreign exchange market, money and capital markets, primary and secondary markets and derivatives markets. **(QR1)**

Apply and understand the concepts of arbitrage, hedging and speculation using both equations and numerical examples in different financial markets. **(QR3)**

Understand, interpret and depict data in both tabular and graphical forms, including correct labelling of axes and scaling of axes on diagrams and clear visual representation and presentation of data in tables. **(QR3)**

Analyse the different implications of government policy and how it impacts the functioning of markets using examples of foreign exchange intervention, money market operations and quantitative easing. **(QR4)**

Understand how to apply key formulas to calculate prices of different securities in financial markets

using specific examples involving foreign exchange, Treasury bills and bonds and derivative instruments. (QR2)

Understand the importance of the contract specification, margining process and cash settlement in the management of derivative contracts such as futures and options. (QR2 and QR4)

Additional Course Specific Objectives

Understand the linkages between various markets, for example, the link between the primary market and the secondary market and the link between spot prices and futures prices.

Analyse how developments in one market can spread into different markets, for example, how foreign exchange intervention can affect money markets and how changes in monetary policy can affect the capital markets.

Grading

The following Boston University table explains the grading system that is used by most faculty members on Boston University's Study Abroad London Programmes.

<u>Grade</u>	<u>Honour Points</u>	<u>Usual %</u>
A	4.0	93-100
A-	3.7	89-92
B+	3.3	85-88
B	3.0	81-84
B-	2.7	77-80
C+	2.3	73-76
C	2.0	69-72
C-	1.7	65-68
D	1.0	60-64
F	0.0	Unmarked

Grading Criteria

'Incomplete' or **I** grades are not permitted because of the obvious difficulty in making up missed work once the student has left the country. All work must be completed on time. We also do not allow **'Audits'** (AU), **'Withdrawals'** (W), or **'Pass/Fail'** (P) grades.

The grades reflect the quality of the work. Lecturers and students should use the following criteria for an understanding of what each grade means.

A This exceptional grade is assigned only to work that has persistently outstanding quality in both substance and presentation. The student must demonstrate a sustained capacity for independent thought and extensive study, producing rigorous and convincing analyses in well-ordered prose.

A- Awarded to work that is clearly focused and analytical, and based on wide reading. The student must cover all the principal points of a question and systematically develop a persuasive overall thesis, allowing for one or two venial omissions or inapt expressions.

B+, B, B- This range of grades indicates that the student has shown some evidence of original thought and intellectual initiative. The student has cited sources beyond the class materials, and shown a degree of originality in perception and/or approach to the subject. The work will show thoughtful management of material, and a good grasp of the issues. The differences between a B+, a straight B and a B- may reflect poor presentation of the material, or mistakes in punctuation, spelling and grammar.

C+, C, C- Work in this grade range is satisfactory, but uninspiring. If the work is simply a recitation of the class materials or discussions, and shows no sign of genuine intellectual engagement with the issues, it cannot deserve a higher grade. Should an essay fail to provide a clear answer to the question as set, or argue a position coherently, the grade will fall within this range.

Quality of presentation can lift such work into the upper levels of this grade range. Work of this quality which is poorly presented, and riddled with errors in grammar, spelling and punctuation, will fall into the lower end of the range. To earn a C grade, the work must demonstrate that the student is familiar with the primary course material, be written well enough to be readily understood, be relevant to the assignment, and, of course, be the student's own work except where properly cited.

D A marginal pass can be given where some but not all the elements of the course have been completed satisfactorily.

F The failing grade indicates the work is seriously flawed in one or more ways:

- Obvious lack of familiarity with the material
- So poorly written as to defy understanding
- So brief and insubstantial that it fails to properly address the subject
- Material presented is not relevant to the assignment
- Demonstrates evidence of plagiarism (see following section in Academic Conduct Code)

Please refer to the Academic Handbook for detailed grading criteria and policies on plagiarism. This can be accessed via Blackboard Learn: <http://learn.bu.edu>

** Final Grades are subject to deductions by the Academic Affairs Office due to unauthorised absences.*

Attendance Policies

Classes

All Boston University London Programme students are expected to attend every class session, seminar, and field trip to fulfil the required course contact hours and receive course credit. Any student that has been absent from two class sessions (whether authorised or unauthorised) will need to meet with the Directors to discuss their continued participation on the programme.

Authorised Absence:

The Authorised Absence Approval Request Form is available through the Academic Affairs section of the BU London Personal Page: <https://fm.bu-london.co.uk/fmi/webd/>

Please note: Submitting an Authorised Absence Approval Request Form does not guarantee an authorised absence

Students who expect in advance to be absent from any class should notify a member of Academic Affairs and complete an Authorised Absence Approval Request Form ten working days in advance of the class date.

Students may apply for an authorised absence only under the following circumstances:

- **Illness (first day of sickness):** If a student is too ill to attend class, the student must notify Academic Affairs as soon as possible by submitting an Authorised Absence Approval

Request Form in advance of the class. If it is the student's first absence of the semester (from any class) a doctor's note is not required.

- **Illness (multiple days):** If a student is missing more than one class day due to illness, the student must complete an Authorised Absence Approval Request Form and a sick note from a local doctor excusing their absence from class. Once well enough, the student will need to meet with Academic Affairs.
- Important placement event that clashes with a class (verified by internship supervisor).
- Special circumstances which have been approved by the Directors (see note below).

The Directors will only in the most extreme cases allow students to leave the programme early or for a significant break.

Unauthorised Absence:

Any student to miss a class due to an unauthorised absence will receive a **4% grade penalty** to their final grade for the course whose class was missed.

This grade penalty will be applied by the Academic Affairs office to the final grade at the end of the course. As stated above, any student that has missed two classes will need to meet with Academic Affairs to discuss their participation on the programme as excessive absences may result in a 'Fail' in the class and therefore expulsion from the programme.

Religious Holidays

Boston University's Office of the University Registrar states:

'The University, in scheduling classes on religious holidays and observances, intends that students observing those traditions be given ample opportunity to make up work. Faculty members who wish to observe religious holidays will arrange for another faculty member to meet their classes or for cancelled classes to be rescheduled.'

Special Accommodations

Each student will need to contact the Disability & Access Services to request accommodations for the semester they are abroad. Students are advised by BU-DAS not to expect the same accommodations as they receive on campus.

BU London can only uphold special accommodations if we have received the appropriate documentation from the BU-DAS. We cannot accept letters from other universities/centres.

All disabilities need to be known to the DAS in Boston if they are to be used as a reason for requiring a change in conditions, i.e. reduced internship hours or special accommodations for the internship schedule.

Lateness

Students arriving more than 15 minutes after the posted class start time will be marked as late. Any student with irregular class attendance (more than two late arrivals to class) will be required to meet with the Academic Affairs and if the lateness continues, may have their final grade penalised.