

EC 247 Financial Instruments and Capital Markets

Term Papers Guidelines

General points

- You will receive marks for demonstrating your knowledge related to the subject of the term paper. Make sure that your answer is relevant to the question and comes into a justified conclusion.
- Check carefully the *Undergraduate Economic Handbook: "A Guide to Good Practice in Assessed Work"* and "Making the Best of Your Essays, Term Papers and Projects".
- Avoid academic offences.
Never copy from any source unless the words copied are enclosed in "**quotation marks**" and are properly referenced.
- Avoid long quotations.
Use quotations for a given purpose, like strengthening your argument. Do not let quotations be a substitute for your own exposition. Do not be afraid to use your own words to state an argument.
- Make sure your paper is well organized and that you have a coherent piece of work. Structure matters. Divide your paper in logically coherent sections:
 - i. Introduction: Set out clearly from the very beginning the issues that you are going to discuss. What is this paper about all about? Give guidance on how your arguments will unfold and generally how you plan to structure your overall piece of work.
 - ii. In the sections following your introduction, analyze your arguments clearly and try to keep a logical sequence. Do not be afraid to use your own examples in order to enhance a specific argument. If you have to use equations, always explain the relevant variables at first usage.
 - iii. Conclusion: Give a brief summarize of your paper. Say what exactly you analyzed and highlight the most important aspects. Comment on any issues that you feel deserve further exploration.
 - iv. Always provide bibliographical references.
 - v. Keep the word limit. Term papers should not exceed 3000 words.
- Presentation matters.
Pay attention to style and layout. Use word processing and double line-spacing with a 12 point font.

EC 247 Financial Instruments and Capital Markets

Term Papers titles

Details of assessment procedures are contained in the Undergraduate Economics Handbook, available from room 5B.211. Be sure to read the sections on A Guide to Good Practice in Assessed Work and Making the Best of your Essays, Term Papers and Projects.

Submission Deadline: 12:00 on Friday 20 January 2012

Choose one of the following term paper titles

- 1) Compare and contrast futures with options contracts as vehicles of managing risk.**

References to start with:

Frederic S. Mishkin and Stanley G. Eakins, *Financial Markets and Institutions*, 7th Edition, Pearson Prentice Hall, Chapter 24.

Roy E. Bailey, *The Economics of Financial Markets*. Cambridge University Press, 2005, chapters 14, 15, 18, 20.

- 2) Explain what is meant by the term structure of interest rates. Critically evaluate the different theories that have been evolved to account for the various shapes of the term structure.**

References to start with:

Frederic S. Mishkin and Stanley G. Eakins, *Financial Markets and Institutions*, 7th Edition, Pearson Prentice Hall, Chapter 5.

Fabozzi F. J., *Bond Markets, Analysis and Strategies*, 4th Edition, Prentice Hall, Chapter 5.

Elton, E.J., Gruber M.J. *Modern Portfolio Theory and Investment Analysis*, 5th edition, John Wiley & Sons, Chapter 20.

- 3) In view of the financial crisis in 2007 critically assess the increased need for regulating the financial markets. Discuss the underlying framework under which an efficient regulation of the financial system should be based.**

References to start with:

Peter Howells and Keith Bain, *The Economics of Money, Banking and Finance*, 4th Edition, Prentice Hall, 2008, Chapter 17.

Davies H, 2008. The Future of Financial Regulation. *World Economics* 2008; 9; no. 1; 11-34.

Acharya V. Viral and Richardson M, *Restoring Financial Stability: How to Repair a Failed System*, John Wiley & Sons, 2009.
