PhD Course on Financial Institutions (Fall 2015)

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This course will discuss both theoretical and empirical papers in Financial Institutions. Each student will have to present papers and class grade will depend on the quality of that presentation, the submitted write-up of the selected paper, and on general class participation. The write-up of the paper should be submitted just before class presentation. All working papers will be put on the course page on Blackboard.

Week 1: Organizational meeting & summary of theories of financial intermediation

Week 2-3: The “specialness” of banks (empirical evidence)


Event Study:
- James, C., 1987, Some evidence on the uniqueness of bank loans, JFE, 217-235

Week 4-5: Estimating risk for bank stocks

- Fraser, D., Madura, J., R. Weigand, 2002, Sources of bank interest rate risk, Financial Review, 351-368.
Week 6-7: Deposit Insurance


Week 8: Relationship lending, review article


Week 9: Collateral (constrained by time not going into the various theories of collateral)


Weeks 10-11: Corporate governance and the recent financial crisis

Week 12: Financial crisis a historical perspective


Weeks 13: Repos and commercial paper (time permitting references given later)