

## **Money Banking and Financial Markets – Fin 312 Spring 2013**

**Professor: Ajamu Loving**

**Office:** BA 102

**Class Time:** Thursday @ 6pm Class live pro

**Place:** BA 256

**Office Hours:** M W or by appt

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### **REQUIRED TEXTS/MATERIALS:**

Financial Markets and Institutions. 7<sup>th</sup> edition Frederic Mishkin and Stanley Eakins  
Pearson Addison Wesley. 2012 ISBN-10: 013213683x  
ISBN-13: 9780132136839

Financial Calculator: TI BA-II or comparable (not alpha programmable). I will only be teaching from the BA- II. For free guidebook see:

[http://education.ti.com/guidebooks/financial/baiipluspro/BAIPLUSPROGuidebook\\_EN.pdf](http://education.ti.com/guidebooks/financial/baiipluspro/BAIPLUSPROGuidebook_EN.pdf)

**Supplemental texts may be used during the lectures. To be able to pass the quizzes and exams I highly suggest regular class attendance and adequate notes.**

### **COURSE DESCRIPTION:**

The course is, in some respects, a cross between traditional —money and banking and —money and capital markets. It differs, however, in its general approach to the topics covered. The aim of the course is to provide an analytical framework that will enable one to understand, interact with, and operate in, financial markets and institutions. The approach of the course is applications-oriented. The purpose of this approach is to introduce the student to real-world issues and problems that participants in financial markets regularly encounter. Additionally, in that money and capital markets have truly become —globalized, international perspectives are fully integrated into the material. Finally, because financial markets continue to innovate and evolve, the nature of, and forces driving, such innovation is spotlighted.

### **COURSE OBJECTIVES**

**Relative to financial markets in general**—Student should understand the function and nature of financial markets, the characteristics of money market versus capital markets, primary versus secondary markets, debt versus equity markets, characteristics of financial instruments traded in the various financial markets, recognize the major participants in the various financial markets, be able to calculate/estimate the yield on various financial instruments given the information required to accomplish same, understand the significance of determining appropriate discount rates

**Relative to interest rates** – Student should understand the nature and function of interest rates, the relationship between risk and interest rates, distinction between real and nominal rates, distinction between interest rates and returns, be familiar with the concept of term structure, and understand the market determination of interest rates and factors affecting their movement over time.

**Relative to monetary policy** – Student should understand the formulation, implementation and general impact of basic monetary policy measures; understand the nature and function of central banks in general, and be familiar with the powers, duties and functions of the Federal Reserve in particular, as well as its structure and governance.

**Relative to financial institutions** – Student should understand why financial institutions exist, the significant forces favoring the development and use of indirect finance versus direct finance, why financial crises occur and how and why they affect the broader economy, the significance of asymmetric information in financial markets, and the challenges involved in attempting to improve the functioning of financial institutions through regulation

**Relative to currency exchange rates and the international financial system** – Students should understand the nature, significance and determination of currency exchange rates and theoretical underpinning of same, factors that affect exchange

rates in the short run and long run, be familiar with the history and impact of common currency unions, understand the appeal of and mechanisms employed in foreign exchange interventions by governments, and the relative advantages and disadvantages of fixed versus freely fluctuating exchange rates.

### **ATTENDANCE/PARTICIPATION:**

Attendance is encouraged, but not required. **Given the difficulty of this material, you will NOT pass this class without regular reading (prior to class), class attendance, and participation.**

### **TEACHING PROCEDURES:**

The class will be conducted in a lecture/discussion format. Be prepared to discuss and ask questions about the material assigned for each class period. This will require that you **read the material prior to the class period** during which it will be discussed. Although many of the issues covered in the readings will be discussed in class, all the areas covered in the readings will not be part of class discussion. You are encouraged to participate in class. Participation is based on volunteering for class activities and exhibiting a positive attitude, demonstrated by attentive, courteous, and respectful behavior at all times. The nature of this course encourages an interactive forum, and everyone has something valuable to contribute. Disruptive or rude behavior will not be tolerated.

### **EXAMS:**

There will be ONE midterm exam and a comprehensive final. You will be responsible for information from class discussion, required readings, and any guest speakers. There will be no “cheat sheets” allowed during the exams unless otherwise noted by the instructor. **No makeup exams will be given** unless for a university allowed excused absence. For an excused absence, the make-up exam will be administered prior to the scheduled exam. If you need to miss an exam for an excused absence let me know in advance so we can make arrangements. **Anyone missing an exam (unexcused) will fail the course.**

### **ASSIGNMENTS/QUIZZES:**

You will receive quizzes/assignments during the semester. The number of quizzes/assignments is not set so your total point value will be an average of all assignments and quizzes. These assignments and quizzes will include text questions and/or supplemental activities. There will be no make ups for quizzes or assignments.

### **PARTICIPATION:**

This course is based on the belief that mastery of the subject matter occurs through taking an active role in the learning process. Students are expected to attend class **regularly** and **punctually**. Lectures will be most beneficial when you complete assigned readings *before* topics are discussed in class. Assignments should be read prior to the appropriate class meeting.

<b><u>GRADING INFORMATION:</u></b>	<b>POINT VALUE</b>	<b>DUE DATE</b>
Quizzes	200	Throughout
Midterm Exam	400	TBA
Final Exam	<u>400</u>	TBA
<b>TOTAL POINTS</b>	<b>1000</b>	

Final Grades will be determined by the following schedule:

A:	900 – 1000 points
B:	800 – 899 points
C:	700 – 799 points
D:	600 – 699 points
F:	0 - 599 points

**Grades of "I" (incomplete) will not be given to students who merely do not come to class, have failed to satisfactorily complete the course, or who beg, bother, or otherwise pester this instructor. Refer to the University's policy regarding incompletes for further information.**

### **ACADEMIC INTEGRITY/PLAGERISM:**

All academic work must meet the standards contained in A Culture of Honesty: Policies and Procedures on Academic Honest. Students are responsible for informing themselves about those standards and for observing the University Honor Code. Plagiarism occurs when a student submits work that is not his or her own. This includes copying from printed materials, websites, or from other people. All students are expected to turn in work that has been completed individually, unless otherwise informed by the instructor. Any assignment containing plagiarized material will automatically be graded as zero.

### **ADA:**

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

**Office of Student Disability Resources and Services**  
**Texas A&M University-Commerce**  
**Halladay Student Services Building**  
**Room 303 A/D**  
**Phone (903) 886-5150 or (903) 886-5835**  
**Fax (903) 468-8148**

[StudentDisabilityServices@tamU-commerce.edu](mailto:StudentDisabilityServices@tamU-commerce.edu)

### **CIVILITY IN THE CLASSROOM:**

Students are expected to assist in maintaining a classroom environment that is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, students are prohibited from using cellular phones or beepers, making offensive remarks, chatting, reading newspapers, sleeping, or engaging in any other form of distraction. Inappropriate behavior in the classroom shall result in “minimally” a request to leave class.

**POLICY ON LATE WORK:**

Late work WILL NOT BE ACCEPTED without a university excused absence as defined by **Texas A&M – Commerce Rules and Procedures 13.99.99.R0.01**. Note: keep a copy of your work - this protects you in the event of questions about missing assignments.

Excused absences include and are limited to:

- **Pre-authorized religious holidays**
- **Participation in a required/authorized university activity**
- **Voting on Election Day**
- **Obligation of student at legal proceedings in fulfilling responsibility as a citizen**
- **Documented death in a student's immediate family**
- **Verified illness – Resulting in Hospitalization or Long-Term Illness**

COURSE: \_\_\_\_\_

INSTRUCTOR: \_\_\_\_\_

NAME: \_\_\_\_\_

I have received, read and understand this syllabus as presented by the instructor and am clear as to the requirements and effort that will be required to succeed in this course.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date