FIN 570 – C1W
Financial Markets, Institutions and Instruments
Spring 2013

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I. Course Description

A study of the structure and functions of financial markets and institutions focusing on political, social, regulatory and legal effects, as well as demographic diversity, ethnical considerations and changing global financial conditions in finance decision making.

II. Prerequisite

FIN 304 or FIN 501

III. Course Objectives

The goal of the course is to provide the students with an introduction and clear understanding of the financial markets, the institutions that operate in these markets and the instruments used in the markets. Students are exposed to the financial institution network and the mechanics of operation of the whole financial system.

IV. Required Course Materials

1. Financial Markets and Institutions by Anthony Saunders and Marcia Millon Cornett. Fifth Edition of Irwin McGraw Hill. The book website is:
http://catalogs.mhhe.com/mhhe/viewProductDetails.do?isbn=0078034663

2. Financial Calculator: Texas Instruments BAII Plus calculator or comparable (not alpha programmable). For free guidebook/reference of TI BAII+, see:
http://education.ti.com/guidebooks/financial/baiipluspro/BAIIPLUSPROGuidebook_EN.pdf or http://movies.atomiclearning.com/k12/ti_ba2/

V. Recommended Reading

Wall Street Journal, Financial Times, The Economist

VI. Policies and Procedures

The student is responsible for all material covered and all information disseminated when he/she misses a Class Live session.

Email Use
The best way to communicate with me outside of class is by email. You should expect a response to your emails within 24 hours during regular business hours on weekdays. You have to send emails from your myLeo accounts.

Exams

There will be two exams, including one midterm exams and a final exam. The final exam will be **comprehensive**. Students should use a financial calculator during the exams.

There will be no makeup exams. If you have to miss an exam because of an excusable and verifiable reason, you must contact me before the exam. Failing to do so or failing to provide documentation of the reason for absence from a medical doctor or TAMU-Commerce official will result in a grade of zero on the exam. **If I were to excuse you from an interim exam, the weight of the missed exam will be added to the weight of the comprehensive final exam.** Regardless of the excuse, if you miss two exams you will automatically fail the class.

Individual Presentations – Two Presentations each

During the semester, you need to stay informed on current developments that are relevant to international finance and financial institutions. You will be assigned 10-minute individual presentations to be made about current news items dealing with international financial developments. These can be based on clippings from newspapers, magazines, newsletters, or professional journals. Your presentation should summarize the news item and then relate it to some concept, practice, or problem in international finance and management, including your observations on its implications. You will have to email me a one-page outline of your presentation at least one day before your presentation. I will announce a schedule of the presentations during the second class live session. Please do not exceed 10 minutes in making your group presentation.

Peer Evaluation: You will be asked to assess the performance of the other students. This assessment will be used to determine what percentage of the group score each person will receive.

Homework

End of chapter questions & problems and other questions & problems will be assigned as homework. You do **not** have to submit the solutions. To enhance learning, you should devote some time to these assignments. Some (but not all) of the problems on the exams will be similar to the problems in these homework assignments.

Grading

No assignment for extra credit will be given to any individual student. For grading purposes, the following weights will be assigned:

Presentations	20%
Class Participation	5%
Homework	25%
Mid-term examination I	25%
Final examination	25%

and letter grades applied as follows:

90 – 100	A
80 - 89.99	B
70 - 79.99	C
60 - 69.99	D
0 - 59.99	F

Below are guidelines that help to explain how student work is evaluated:

Criteria (Course Objectives)	**1 (Unsatisfactory)**	**2 (Emerging)**	**3 (Proficient)**	**4 (Exemplary)**
Demonstrate an understanding of the core concepts of financial intermediaries and their role in the Modern Economy.	Student cannot demonstrate an understanding of any of financial intermediaries and their role in the Modern Economy.	Student can demonstrate some understanding of financial intermediaries and their role in the Modern Economy.	Student can demonstrate an understanding of most of the core concepts of financial intermediaries and their role in the Modern Economy.	Student can demonstrate an understanding of all of financial intermediaries and their role in the Modern Economy.
Understand and demonstrate knowledge of the structure, operations and the role of the Federal Reserve in the Modern Economy.	Student cannot Understand and demonstrate knowledge of the structure, operations and the role of the Federal Reserve in the Modern Economy.	Student can Understand and demonstrate some knowledge of the structure, operations and the role of the Federal Reserve in the Modern Economy.	Student can demonstrate and demonstrate a good knowledge of the structure, operations and the role of the Federal Reserve in the Modern Economy.	Student can clearly demonstrate an understanding of all the structure, operations and the role of the Federal Reserve in the Modern Economy.
Demonstrate an understanding of the basics of commercial banks operations and regulation.	Student cannot demonstrate an understanding of the basics of commercial banks' operations and their regulation.	Student can demonstrate an elementary understanding of the basics of commercial banks operations and regulation.	Student can demonstrate an understanding of most important concepts of commercial bank operations and their regulation.	Student can demonstrate an understanding of all of the basics of commercial bank operations and their regulation.

VII. Progression of Course

This agenda is subject to change. The exact timing of lectures and content of exams will depend on the flow of the course. I EXPECT ALL STUDENTS TO HAVE READ ALL ASSIGNED MATERIAL BEFORE CLASS.

Week 1, April 22 ➔Part I. Introduction and Overview of Financial Markets

Chapter 1 – Introduction
Chapter 2 – Determinants of Interest Rate
Chapter 3 – Interest Rate and Security Valuation
Chapter 4 – The Federal Reserve System, Monetary Policy, and Interest Rates

Week 2, April 29 ➔ Part II. Securities Markets

Chapter 5 – Money Markets
Chapter 6 – Bond Markets

Week 3, May 6 ➔ Part II. Securities Markets (con't)

Chapter 7 – Mortgage Markets
Chapter 8 – Stock Markets

EXAM 1 – Chapters 1-8

Week 4, May 13 ➔ PART III Commercial Banks

Chapter 11 – Commercial Banks: Industry Overview
Chapter 12 – Commercial Banks' Financial Statements and Analysis
Chapter 13 – Regulation of Commercial Banks

Week 5, May 20 ➔ Other

Chapter 14 – Other Lending Institutions: Savings Institutions, Credit Unions, and Finance
Chapter 19 – Types of Risks Incurred by Financial Institutions

VIII. Other Information

You shall start studying early in the course, well before the test/exam, to give yourself a head start in learning the material. When you don't understand course material, ask questions either in class, during office hours or by email. You will not get good grades if you wait until a week or couple of days before the test/exam to start studying.

ADMINISTRATIVE

Academic Integrity/*Ethics:*

Integrity will be stressed throughout the course. Refer to Student's Guide Book located at for the University policy on academic honesty:
www.tamu-commerce.edu/studentlife/guidebook.htm

All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conductive to a positive learning environment.

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university's statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

> "Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material."

Your grade is to reflect your work alone, and likewise, your classmates' grades are to reflect their work alone, and not yours. *Students found to have committed academic dishonesty will automatically receive a failing grade for the course and will be referred to Dean of the College of Business and Technology for possible expulsion from the program.* All students enrolled in this course are required to sign and submit an Academic Honesty Policy form during the first week of the course.

Students with Disabilities:

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
Gee Library
Room 132
Phone (903) 886-5150 or (903) 886-5835
Fax (903) 468-8148
StudentDisabilityServices@tamuc.edu

Attendance Policy:

Students are expected to attend each Class Live. I will try to arrange a time that works for all of us. You must be prepared for each Class Live meeting. If you miss a live session, you need to listen to the archives as fast as possible.