TEXAS A&M UNIVERSITY – COMMERCE

College of Business

Department of Economics & Finance

Finance 312 02E CRN 20292

Money, Banking and Financial Markets

Spring, 2015

Syllabus

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Office Hours: From 2:00 until 4:00 P.M. Mondays and Wednesdays. From 12:30 to 4:00 P.M. Central Time on Tuesdays and Thursdays. Other time by appointment.

Class Time: 11:00 A.M. to 12:15 P.M. Mondays and Wednesdays Central Time.

Class Location: TAMUC Main Campus, Room BA 245

Text: Money, Financial Markets and Institutions , 8th edition, by Frederic S. Mishkin and Stanley G. Eakins.

ISBN-13: 9780133423624

Pearson Prentice Hall.

Study Guide: This is recommended but not required.
Study Guide for Financial Markets & Institutions 8th edition
(William Gerken)
ISBN-10: 0133427072
ISBN-13: 9780133427073

The student Study Guide that accompanies this text is not required, but is strongly recommended.

Note: I am sometimes questioned regarding the advisability of using older editions of a text in a course. Since that is an economic question (estimating relative costs and benefits), I leave that judgment to you. I will note, however, that there is a 7th edition of this text, and the chapter numbers for the material that we cover in this course do not match the numbering in the newer edition. The primary content difference between the two editions appears to be an updating of data presented in charts and tables. However, the authoritative word on a topic/question will be considered the latest version of the text (unless specifically addressed in a class session).

Hardware: Financial Calculator – Texas Instruments BA II or comparable

Nature of the Course/Material: The course is, materially, a cross between a traditional "money and banking" economics course and a standard "money and capital markets" finance course. 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 highly applications and implications 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 are truly "globalized" markets, international perspectives are fully integrated into the material. Further, because financial markets continue to innovate and evolve, the nature of, and forces driving, such innovations are highlighted. Finally, inasmuch as the stability of financial markets impacts significantly the health and stability of the overall economy, consideration of the role of the central bank in terms of the formulation and implementation of monetary policy is a vital component of the course.

What to Expect From Class: There are two factors that you should consider carefully before you start this course. First, you should keep in mind that it is critical that you read materials and do assignments when assigned. A person who hopes to do well in this class can ill afford to fall behind. Second, if you do not have sufficient time to devote to the class each week, and/or if you are not comfortable with meeting with the class at the appointed time, you probably should rethink taking this class. Keep in mind that Finance 312 is an upper-level finance course, and the performance requirements will be commensurate with same.

Chapters and other reading materials will be assigned (see below) and you are expected to read them when or before they are assigned for discussion/testing. You will have an opportunity to ask questions and interact during the class, but this will necessitate your being current with your reading and study.

Office Hours: UPON REQUEST OF TWO OR MORE STUDENTS, I will hold office hours on Tuesdays and Thursdays before and after our class Until 3:30 P.M. Central Time. Office hours will not be used to cover new material or as a substitute for attending

class. Additionally, it is recommended that you consult your syllabus and the Course Pages in eCollege to see if your administrative and/or procedural questions/concerns are addressed there. You may e-mail me with questions concerning materials and I will respond as promptly as practical. Please allow me up to 24 hours (during the week—not counting weekends) to reply. If you have not received a response within that time frame, please re-send the e-mail and call my office (leaving a voice mail if not answered).

Course Grades: There will be four unit exams. The first unit will cover materials from chapters 1-6 in the text plus other assigned materials (including several New York Federal Reserve "Fedpoints" and other articles). The second unit will cover chapters 7 through 10 plus several "Fedpoints"and other articles. The third unit will cover material from chapters 11 through 15 and 17 in the text (plus Fedpoints and other articles). The fourth unit will cover chapters 16 and 18 through 22. Each unit exam will constitute 20% of your course grade. See table below for reading assignments and exam dates. I have prepared a summary of expected key concepts that you should know for each section.

In addition to the four exams, there will be four assigned problems or papers. Those will normally be assigned after the Wednesday classes and due to be submitted before midnight the following Saturday. Total points earned on those problem or paper assignments will constitute the other 20% of your course grade. There will be additional or extra credit opportunities available for a grade. Exams and total assignment points (as a percent) will be graded on a 20-20-20-20-20 basis, so that:

A = 90 - 100

B = 80 – 89

C = 70 – 79

D = 60 – 69

F = below 60

Note: "Need" is not a factor in determining course grades, so please do not call or e-mail me telling me how much you need to make a certain grade. Grades are to be earned, not gifted. If a certain grade in this course is critical to you, you might find it worthwhile to re-read the paragraph above relative to the nature the course, and read and heed the material below under the heading "Hints for Making a Good Grade in this Course."

Assignments: Materials and Exams -- Note that this syllabus is not a contract. It lists the minimum requirements for the course and is subject to change. Check your email frequently for any changes.

Week of	**Assignment**
Unit I	

Knowledge Inventory (Jan. 21)

Fedpoints

1) Understanding U.S. Government Securities Quotes

2) Zero Coupons and STRIPS

Jan. 21through Feb. 4 Text: Chapters 1 through 6

Feb. 9 Review

Unit 1 Exam (Feb. 11 through 13)

Unit 2

Feb. 16 through Mar. 2 Text: Chapters 7 through 10

Fedpoints

1) Federal Reserve System (4 items)

2) Monetary Policy Tools (9 items)

3) Miscellaneous (2 items)

4) Functions of Money

Mar. 4 Review

Unit 2 Exam (Mar. 4 through 6)

Unit 3

Mar. 9 through 30 Text: Chapters 11 through 15 and 17

Fedpoints

1) Book-Entry Procedure

2) Treasury Auctions

3) Estimating Yields on Treasury Securities

Apr. 1 Review

Unit 3 Exam (Apr. 1 through 3)

Unit 4

Apr. 6 through 29 Text: Chapters 16, 18 through 22

May 4 Review

Unit 4 Exam (May 6 through 8)

Hints for making a good grade in this course

1. Attend class—come prepared, ask questions if you do not understand the material and/or assignments, stay alert and take good notes
2. Get the Study Guide, and use it
3. Read and study materials when assigned. Falling behind in class can be fatal (grade-wise, of course).
4. Turn in all assignments in on time—and in proper form (see below)

5. All assignments--tests and projects--are individual (not group) assignments. Make sure that the materials you submit reflect your (exclusive) work.
6. When you don't understand material, ASK QUESTIONS—either in class by email or phone. As soon as you realize that you are having problems in the course, contact me then.

Suggestions for submitting written assignments:

1. Save a backup copy when you submit. It may contain something that you will wish to review for the upcoming exam.

2. Put the assignment in your own words—DO NOT SEND ME ANY COPY AND PASTE ATTACHMENTS. I do not care to read Federal Reserve generated material about the Federal Reserve (relative, for example, to an assignment regarding the Fed). Tell me what you have to offer—but stick to facts and analysis, please, not unsupported opinion—on the topic/issue under discussion. Refrain from using "I believe" or "I feel" in your responses.

3. Put the assignment in your own words—DO NOT SEND ME A PAPER THAT IT IDENTICAL TO THAT SUBMITTED BY YOUR FELLOW CLASSMATE. The assignments are not group projects. DO NOT SEND ME A PAPER THAT YOU COPIED FROM AN INTERNET SOURCE. As stated above assignments must be in your own words.

4. Treat each submission as a university level assignment—not a text message to a pal. Keep in mind that in a formal setting:

a) Grammar and spelling matter (and may be held against you) run spell check on all submitted assignments, tests and emails;

b) 2 and 4 are Arabic numerals, not prepositions;

c) U and R are letters of the alphabet, not pronouns and contractions;

d) "there" and "their" are not interchangeable words;

In general, ask yourself if your submission is of a quality and maturity that you would submit to an employer—assuming that you would like to keep your job and advance with the company.

Students with Disabilities:

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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

All students enrolled at the university and UCD shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment. The College of Business and Technology at Texas A&M University-Commerce students will follow the highest level of ethical and professional behavior. Actionable Conduct includes illegal activity, dishonest conduct, cheating, and plagiarism. Failure to abide by the principles of ethical and professional behavior will result in sanctions up to and including dismissal from the university.

Plagiarism:

Plagiarism represents disregard for academic standards and is strictly against University policy. Plagiarized work will result in an **"F"** for the course and further administrative sanctions permitted under University policy. Guidelines for properly quoting someone else's writings and the proper citing of sources can be found in the APA Publication Manual. If you do not understand the term "plagiarism", or if you have difficulty summarizing or documenting sources, contact your professor for assistance.

Nondiscrimination:

A&M-Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.