

Jacksonville University

Financial Market and Institution

ECON 310 / FIN310 Fall 2018

**Tuesday, Thursday 08:00AM - 09:15AM**

**Room 263**

Instructor: Professor Maggie Foley

Office: **118A** DCOB

Office Hours: Tuesday and Thursday 2:45 - 5:00 and by appointment

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***Vision***

The vision of the Davis College of Business is to cultivate innovative business leaders throughout North Florida and beyond.

***Mission***

The Davis College of Business delivers high quality educational programs that develop leaders who:

1. Exhibit business acumen;
2. Demonstrate leadership abilities and ethical behavior;
3. Use critical thinking;
4. Leverage technical and analytical skills;
5. Cultivate global awareness.

***Learning Goal***

*LG1. Exhibit business acumen*

Students will have core competencies in:

LO1-2. Economics

LO1-3. Finance

*LG3. Use critical thinking*

LO3-1. Students will develop oral and written communication skills to inform and persuade other with clear, organize, logical, and compelling messages in multiple formats.

LO3-2. Students will critically evaluate arguments in terms of strength of evidence and reasoning.

*LG4. Leverage technical and analytical skills*

LO4-1. Students will create a financial or operational analysis using advanced spreadsheet program.

LO4-2. Students will compose properly formatted processing documents.

LO4-3. Students will prepare properly formatted business documents and/or presentations using multiple platforms.

*LG5. Cultivate global awareness*

LO5-1. Students will understand global and cultural issues in business.

COURSE DESCRIPTION

This is a basic finance course discussing various aspects of the U.S financial system, including consideration of monetary standards, the organization and functioning of both depository institutions and the Federal Reserve System. Issues related to the money supply, interest rates, and asset prices are emphasized. Recent banking conditions and trends in financial institutions are also emphasized.

COURSE OBJECTIVES

By the end of the course, conscientious students will have achieved the following objectives:

1. Describe financial markets and the primary financial instruments in the U.S.

2. Demonstrate an understanding of risk and its role in shaping financial decisions.

3. Identify the key means by which the economy can affect interest rates.

4. Explain the theoretical foundations and importance of stock market efficiency.

5. Demonstrate a basic understanding of key derivative instruments in financial markets.

6. Explain the theoretical foundations of financial intermediation versus direct finance.

7. Articulate an understanding of current monetary policy and the impact it has on the economy.

Personal Philosophy of Teaching and Learning

To me, learning is fun. I think that all college students should feel this way about learning. A good instructor makes this happen by making the class clear and interesting, by giving students opportunities for inquiry and rewarding them for critical thinking.

To make the class clear and interesting, I focus on conveying the material to the students through real world examples. This equips the students their text book knowledge in a constantly changing world. I believe in using group discussions, in-depth term projects and students’ presentations. I encourage students to ask questions, because those questions help identify where students’ are having difficulty, and helps to keep them interesting in the class.

REQUIRED TEXT

Money, Banking, and Financial Markets, Cecchetti & Schoenholtz, (5th Ed.) McGraw-Hill Irwin, 2016.

ISBN-13: 978-1259746741

ISBN-10: 1259746747

RESOURCES

*Class website:*

www.jufinance.com/fin310\_18f

Economic Indicators: CNBC Squawk Box has a panel discussion of the economic indicator after the releasing of the indicator. CNBC usually airs this between 8:00-8:45 on the day of the announcement.

In general, CNBC provide a key as to what data to consider, its impact on the current and future state of the economy, financial markets, and interest rates, etc.

You are also expected to read various business publications, viewing various websites that review and analyze economic data, and perhaps watching various business TV shows like CNBC, MoneyLine (CNN), Wall Street Week (PBS), Bloomberg, etc.

METHOD OF INSTRUCTION

1. We will visit Federal Reserve Bank of Atlanta Jacksonville branch. Exact date and time will be announced.
2. A guest speaker from Merrill Lynch will give us lecture regarding careers in the market. Exact date and time will be announced.

NOTES REGARDING ASSIGNMENTS AND WORKLOAD

## Exams 60%

Three exams will be given during the semester. Exams are closed book and closed note. The exams will include material from assigned readings and class discussions. Your attendance in class will help ensure that you do not miss any pertinent information. The exams may include multiple choice questions, short answer questions (baby essays), and “fill in the blank” questions.

Exams later in the semester will tend to focus on new material, however I may re-examine some older material, especially on the final. As exams approach, I will provide more information as to what types of questions you should expect. Also, note that the material we cover in the earlier exams provides a basis for understanding the material in the remainder of the course.

*Term Project 20%*

One purpose of this project is to get familiar with the financial market and institutions. The second purpose is to get familiar with the databases subscribed by JU. The databases are hosted by JU library.

Visit library.ju.edu. Then scroll over “Subject Guide”. Click on “Management, Marketing and International business”. You will see a list of databases subscribed. The three databases for this project are Mergent, Valueline, and Lexis Nexis.

Carefully follow the steps below.

1. Choose a firm to study, such as AAPL.
2. Go to Valueline database. Locate the report of the firm in Valueline. Save it.
3. Go to Mergent database.
	1. Collect the information of the executives. Any comments?
	2. Collect the ownership information. Comments?
	3. Locate the top 10 institutional investors of this firm.
		1. What types of institutions are they? You can google each institution to answer this question.
		2. Write down the brief history of each institution.
	4. Choose the data items that you want to remind of other students. Generate a report using report builder in Mergent. Save your report.
4. Go to Lexis Nexis database. Search for recent news regarding the ownership changes among institutions in the prior month or longer. Your comments?
5. Close up your report by summarizing the additional information provided by the three databases, beyond what is available in Google finance.

This project will be due on the final exam date.

*Homework 20%*

There will be several homework sets assigned during the semester. Homework due dates are specified during the course work. Homework is due at the beginning of class. The goal of homework is to help your understanding of the material. Note that questions similar to the homework may appear on exams – so it is important that you understand how to work problems by yourself. Submitted work must be legible.

COURSE GRADING

## Assignments

3 Exams 60%

Term Project 20%

Homework 20%

Extra Credit ?

### Class Activities/Participation/Attendance

Active and regular participation in class and within your team will be critical to your success. This includes asking questions, answering questions, and in general being involved. Attendance is expected of all students as part of the learning process is interacting with others. On that note, it’s impossible for me, your team members, or fellow classmates to further your learning if you aren’t even in class. Class will begin and end at the designated times

COURSE GRADING SCALE

A 90 - 100% A- 89 - 90% B+ 87.5 - 89%

B 80 - 87.5% B- 79 - 80% C+ 77.5 - 79%

C 70 - 77.5% C- 69 - 70% D+ 67.5 - 70%

D 60 - 67.5% F 0 - 59%

## LATE OR MISSED ASSIGNMENTS OR EXAMS

Make-up exams are not offered in this course. Religious observances and emergency situations will be evaluated on an individual basis and must be accompanied by valid documentation.

### ACADEMIC MISCONDUCT

Jacksonville University students are expected to contribute to the development and sustenance of a community characterized by respect, caring and honesty. The academic honor system of Jacksonville University is based on the premise that each student is expected to adhere to the highest standard of academic honesty.

<http://www.ju.edu/greenpages/Pages/University-Policies.aspx>

### SPECIAL NEEDS

<http://www.ju.edu/greenpages/Pages/University-Policies.aspx>

### CHANGES/ADDITIONS TO SYLLABUS

COURSE WITHDRAWAL

<http://www.ju.edu/registrar/Pages/Grading-Information.aspx>

<http://www.ju.edu/registrar/Pages/Forms.aspx>

UNIVERSITY WITHDRAWAL

<http://www.ju.edu/registrar/Pages/Grading-Information.aspx>

<http://www.ju.edu/registrar/Pages/Forms.aspx>

MEDICAL WITHDRAWAL

<http://www.ju.edu/greenpages/Pages/University-Policies.aspx>

<http://www.ju.edu/registrar/Pages/Forms.aspx>

PLAGIARISM POLICY

<http://www.ju.edu/ctl/Pages/Academic-Integrity.aspx>

**Tentative Calendar**

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| --- | --- | --- |
| **Week** | **Date** | **Chapters** |
| Week1 | Tuesday, 8/28 | Introduction |
|   | Thursday, 8/30  | Chapter 1, 2  |
| Week 2 | Tuesday, 9/4 | Chapter 2  |
|   | Thursday, 9/6 | Chapter 3  |
| Week 3 | Tuesday, 9/11 | Chapter 4  |
|   | Thursday, 9/13 | Chapter 5  |
| Week 4 | Tuesday, 9/18 | Chapter 5  |
|   | Thursday, 9/20 | Chapter 5  |
| Week 5 | Tuesday, 9/25 | **First mid term**  |
|   | Thursday, 9/27 | Chapter 6  |
| Week 6 | Tuesday, 10/2 | Chapter 6  |
|   | Thursday, 10/4 | Chapter 7  |
| Week 7 | Tuesday, 10/9 | Chapter 7  |
|   | Thursday, 10/11 | Chapter 8  |
| Week 8 | Tuesday, 10/16 | Chapter 8  |
|   | Thursday, 10/18 | Chapter 9  |
| Week 9 | Tuesday, 10/23 | Chapter 10 |
|   | Thursday, 10/25   | Chapter 10  |
| Week 10 | Tuesday, 10/29 | **Second Mid Term**  |
|   | Thursday, 11/1 | Chapter 11  |
| Week 11 | Tuesday, 11/6 | Chapter 11  |
|   | Thursday, 11/8 | Chapter 12  |
| Week 12 | Tuesday, 11/13 | Chapter 12  |
|   | Tuesday, 11/15 | Chapter 15  |
| Week 13 | Tuesday, 11/20 | Chapter 15  |
|   | Thursday, 11/22 | *Holiday*  |
| Week 14 | Tuesday, 11/27 | Chapter 16  |
|   | Tuesday, 11/29 | Chapter 17 |
| Week 15 | Tuesday, 12/4 | Chapter 18 |
|   | Thursday, 12/6 | Chapter 18  |
| Week 16 | **Final and project due** |   |

**Note: This is a tentative schedule. Alterations will most likely be made.**