**Financial Markets and Institutions**

FIN 310 Fall 2013

M W F 1:00 -1:50

**Room 119**

**Instructor:** Professor Maggie Foley

**Office: 118A** DCOB

**Office Hours:** Monday and Wednesday 3:00 – 5:00 and by appointment

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***Vision***

Educate and train global leaders to positively influence and serve their communities.

***Mission***

We do so by delivering high quality, relevant and accessible educational programs and scholarship that build the capacities of current and future leaders for:

* We deliver high quality educational programs that build leaders who can **create and promote ideas** with a **strategic mindset**
* Demonstrate **business expertise**
* L**ead organizations** toward economic success
* Demonstrate the **highest standards of professionalism and ethics.**

***Learning Goals & Objectives***

**LG1. Business expertise**

Students will have core competencies in:

LO1-2.  economics   LO1-3.  finance

**LG4.  Critical Thinking**

Students will be able to evaluate issues and optimize opportunities based on available information, reason and good judgment.

**LG5.  Applied Technology Skills**

Students will have a functional understanding of business application technologies.

**LG7.**  **Global awareness**

Students will be aware of global issues when making business decisions

# 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.

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.

# Required Text

Money, Banking, and Financial Markets, Stephen G. Cecchetti, (3rd Ed.) McGraw-Hill Irwin, 2011.

ISBN-13: 978-0-07-337590-8

You will also need a **financial calculator or a laptop**. Standard scientific or financial calculators are permitted for all exams. Calculators that store text are not permitted.

**Class website and complementary materials**

www.jufinance.com/fin310\_13f

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.

**Field Trip and Guest Speaker**

1. We will visit Federal Reserve Bank of Atlanta Jacksonville branch. Exact date and time will be announced.
2. A guest speaker from a local mutual fund will give us lecture regarding the mutual fund industry. Exact date and time will be announced.

# Grading

## **Assignments**

4 Exams 60%

Term Project 20%

Homework 20%

Extra Credit 5%

## **Scale**

A 90 - 100% B 80– 87.5% B+ 87.5 – 89%

C+ 77.5 – 79% C 70 – 77.5% D+ 67.5 – 69%

D 60 – 67.5% F 0 – 59%

## **Exams 60%**

Four 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.

### Class Activities/Particiaption/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. Anyone, who does not participate actively in both, will have points deducted from their participation grades. Anyone who engages in disruptive behavior (headphones, cell phones, pagers, private conversations, etc.) will have points deducted from their participation grades.

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

**Extra Credit 5%**

Every Monday, there will be a quiz covering the materials studied in the prior week. The total possible points for each quiz: 10. The toal possible extra credit for all quizzes: 5.

## **Late or Missed Assignments and 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.

Academic misconduct is defined as: any form of cheating, including concealed notes during an exam, copying or allowing others to copy during an exam, submission of another person’s work for evaluation, preparing work for another person’s submission, unauthorized collaboration on an assignment, submission of the same or substantially similar work for two courses without the permission of the professors, as well as, plagiarism. (*JU 2004-2005 Academic Catalog*). Any violations of these standards will not be tolerated and will be punished to the fullest extent possible under University policy.

### Special Needs

The Jacksonville University and the Davis College of Business are committed to meeting the needs of all students. If you have a disability or are in need of special assistance, please provide medical and/or psychological documentation of the disability to the Student Life Office. This office will provide you with documentation that should be given to Dr. Matrecia James directly so that your needs can be appropriately met.

### Changes/Additions to Syllabus

This syllabus may be changed at any time during the semester. All changes/additions will be announced in class.

### Food/Drink

College policy prohibits all food and drink in the classroom.

**Tentative Calendar**

|  |  |  |
| --- | --- | --- |
| **Week** | **Date** | **Chapters** |
| Week1 | Monday, 8/27 | Introduction |
|  | Wednesday, 8/29  Friday, 8/31 | Chapter 1  Chapter 2 |
| Week 2 | Monday, 9/3 | Chapter 2 - quiz |
|  | Wednesday, 9/5 | Chapter 3 |
|  | Friday, 9/7 | Chapter 3 |
| Week 3 | Monday, 9/10 | Chapter 4 - quiz |
|  | Wednesday, 9/12 | Chapter 4 |
|  | Friday, 9/14 | Chapter 5 |
| Week 4 | Monday, 9/17 | Chapter 5 |
|  | Wednesday, 9/19 | Review |
|  | Friday, 9/21 | **First Mid Term Exam** |
| Week 5 | Monday, 9/24 | Chapter 6 - quiz |
|  | Wednesday, 9/26 | Chapter 6 |
|  | Friday, 9/28 | Chapter 7 |
| Week 6 | Monday, 10/1 | Chapter 7- quiz |
|  | Wednesday, 10/3 | Chapter 8 |
|  | Friday, 10/5 | Chapter 8 |
| Week 7 | Monday, 10/8 | Chapter 9- quiz |
|  | Wednesday, 10/10 | Chapter 9 |
|  | Friday, 10/12 | Chapter 10 |
| Week 8 | Monday, 10/15 | Chapter 10 - quiz |
|  | Wednesday, 10/17 | **Second Mid Term Exam** |
|  | Friday, 10/19 | Chapter 11 |
| Week 9 | Monday, 10/22 | Chapter 11- quiz |
|  | Wednesday, 10/24 | Chapter 12 |
|  | Friday, 10/26 | Chapter 12 |
| Week 10 | Monday, 10/29 | Chapter 13- quiz |
|  | Wednesday, 10/31 | Chapter 13 |
|  | Friday, 11/2 | Chapter 14 |
| Week 11 | Monday, 11/5 | Chapter 14- quiz |
|  | Wednesday, 11/7 | Chapter 15 |
|  | Friday, 11/9 | Chapter 15 |
| Week 12 | Monday, 11/12 | Review- quiz |
|  | Wednesday, 11/14 | **Third Mid Term Exam** |
|  | Friday, 11/16 | Chapter 16 |
| Week 13 | Monday, 11/19 | Chapter 16- quiz |
|  | Wednesday, 11/21 | Chapter 17 |
|  | Friday, 11/23 | *Holiday* |
| Week 14 | Monday, 11/26 | *Holiday*- quiz |
|  | Wednesday, 11/28 | *Holiday* |
|  | Friday, 11/30 | Chapter 17 |
| Week 15 | Monday, 12/3 | Chapter 18- quiz |
|  | Wednesday, 12/5 | Chapter 19 |
|  | Friday, 12/7 | Chapter 19 |
| Week 16 | **Final** |  |

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