**FIN310-101Z, Financial Market and Institution**

**TTR, 11:00-12:15AM, DCOB 263 (please see Social Distancing Procedures below for more details)**

**Jacksonville University, Fall Semester, 2020**

**Instructor: Maggie Foley** [**mfoley3@ju.edu**](mailto:mfoley3@ju.edu) **DCOB 118A** **Office Hours: Thursday 6:00-7:30PM**, via blackboard collaborate

**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 and communication skills
4. Leverage technical and analytical skills
5. Cultivate global awareness

**Values**

1. We are committed to supporting continuous personal, professional and leadership development of our students, alumni, and community members.
2. We support progressive and meaningful research, creative activity, and knowledge dissemination. We celebrate excellence in teaching.
3. We strive to become thought-leaders in global management education based on our active pursuit of global partners in business and education.
4. We recognize the value of ethics and cultural diversity and welcome and respect people of different backgrounds, beliefs, and points of view.
5. We value and foster mentoring relationships and shared responsibility for learning.
6. We embrace and explore technology as a means of enhancing and delivering management instruction in order to increase flexibility for our students and expand our academic outreach.
7. We actively seek partnerships opportunities with the corporate community in order to enrich the educational experience of our business students and promote the practical relevance of our college.

**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 / LEARNING OUTCOMES**

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

* Describe financial markets and the primary financial instruments in the U.S.
* Demonstrate an understanding of risk and its role in shaping financial decisions.
* Identify the key means by which the economy can affect interest rates.
* Explain the theoretical foundations and importance of stock market efficiency.
* Demonstrate a basic understanding of key derivative instruments in financial markets.
* Explain the theoretical foundations of financial intermediation versus direct finance.
* Articulate an understanding of current monetary policy and the impact it has on the economy.

**FORMAT (if appropriate):**

* Lecture will be integrated with student discussions
* Students will be expected to participate in class
* Visit Federal Reserve Bank of Atlanta Jacksonville branch. Exact date and time will be announced.
* A guest speaker from Merrill Lynch will give us lecture regarding careers in the financial market. Exact date and time will be announced.

**REQUIRED TEXTS**

Cecchetti & Schoenholtz

Money, Banking, and Financial Markets, (6th Ed.) McGraw-Hill Irwin, 2020.

ISBN-13: 978-1260571363

ISBN-10: 126057136X

Additional Readings will be posted at class website: [**www.jufinannce/fin310\_20f**](http://www.jufinannce/fin310_20f) **(**or search for the class website from the main website [www.jufinance.com](http://www.jufinance.com))

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

Two Mid-Term Exams 40%

Final Exam 20%

Term Project 20%

Homework 20%

**GRADING SCALE**

# Course grading scale (for 100 point course)

**Point Total Letter Grade % of Total Course Points**

90-100 A 90-100%

89-89.5 A− 89-89.5%

88-88.5 B+ 88-88.5%

80-87.5 B 80-87.5%

79-79.5 B− 79-79.5%

78-78.5 C+ 78-78.5%

70-77.5 C 70-77.5%

69-69.5 C− 69-69.5%

68-68.5 D+ 68-68.5%

60-67.5 D 60-67.5%

59-59.5 D− 59-59.5%

LESS THAN 59 F LESS THAN 59%

**POLICIES**

* **Attendance:** Students are asked to sign an attendance sheet at the beginning of each class, although no formal penalty will be assessed for poor attendance. Due to the uncertainty that COVID-19 presents, extended absences may be necessary due to either illness or quarantine. Please work with the Student Life office to report your individual situation.
* **Make-Up Exams:** Students who miss an assignment or exam for a valid reason must present documentation (from a medical doctor, a coach, a representative from student life, or other university official) to make it up. Students should notify the instructor before the exam to indicate that they will be missing the exam.
* **Using Electronic Devices:** The use of laptop computers, tablets, cell phones, or any other electronic devices during face-to-face class sessions is generally not allowed unless there are specific class assignments that require them. Comprehension, attention, and note taking all tend to improve when students are not using electronic devices.
* **Extra Credit:** In addition to the extra credit opportunities listed below on the schedule, the instructor may offer other extra credit opportunities, but students may earn no more than 5 extra credit points.
* **Academic Honesty:** Any act of academic misconduct in this course will result in an F for the assignment involved. To see examples of what counts as academic misconduct, as well as the university-level consequences for academic misconduct, look to JU’s policy at [www.ju.edu/academicintegrity](http://www.ju.edu/academicintegrity).

**SCHEDULE OF READINGS & ASSIGNMENTS**

**T TR**

8/18 Introduction

8/20 Chapters 1 – Introduction to money and financial system

8/25 Chapter 2 – What is Money Part I

8/27 Chapter 2 – What is Money Part II

9/1 Chapter 3 – Financial Instrument, Market and Institution Part I

9/3 Chapter 3 – Financial Instrument, Market and Institution Part II

9/8 Chapter 4 – Time value of money Part I

9/10 Chapter 4 – Time value of money Part II

Review of chapters 1-4

9/15 ***First Mid-Term Exam***

9/17 Chapter 6 – Bond Market Part I

9/22 Chapter 6 – Bond Market Part II

9/24 Chapter 7 – Rating, Term Structure, Yield Curve Part I

9/29 Chapter 7 – Rating, Term Structure Part II

10/1 Chapter 5 – Diversification Part I

10/6 Chapter 5 – Diversification Part II

10/8 Chapter 8 – Stock Market Part I

10/13 Chapter 8 – Stock Market Part II

10/15 Chapter 9 – Futures and Options Part I

10/20 Chapter 9 – Futures and Options Part II

10/22 Chapter 10 – Foreign Exchange Market Part I

10/27 Chapter 10 – Foreign Exchange Market Part II

10/29 Review of chapters 6-10

11/3 ***Second Mid-Term Exam***

11/5 Chapters 11-14 Banks Part I

11/10 Chapter 11-14 Banks Part II

11/12 Chapter 15-18 Federal Reserve and Monetary Policy Part I

11/17 Reading of Articles Assigned

11/19 Chapter 15-18 Federal Reserve and Monetary Policy Part II

11/24 Chapters 15-18 Federal Reserve and Monetary Policy Part III

11/26 Review

**Final Exam TBD; Term Project due**

**ACADEMIC HONESTY**

**“**Members of the Jacksonville University community are expected to foster and uphold the highest standards of honesty and integrity, which are foundations for the intellectual endeavors we engage in.

To underscore the importance of truth, honesty, and accountability, students and instructors should adhere to the following standard:

***“On my honor as a student of Jacksonville University, I promise to uphold the values of honesty, trust, fairness, respect, and responsibility in all my dealings with faculty, staff, and students.”***

Academic misconduct occurs when a student engages in an action that is deceitful, fraudulent, or dishonest regarding any type of academic assignment that is intended to or results in an unfair academic advantage. In this context, the term “assignment” refers to any type of graded or ungraded work that is submitted for evaluation for any course. Academic misconduct includes but is not limited to cheating, collusion, falsification, misrepresentation, unauthorized collaboration on assignments, copying another student’s work, using or providing unauthorized notes or materials, turning in work not produced by the individual, and plagiarism. Furthermore, providing deceitful, fraudulent, or dishonest information during discussions of an academic manner with faculty are also examples of academic misconduct.” (Jacksonville University Academic Catalog)

Throughout this course we will be reading and reporting about the work of others. All information that is not original to the student must be appropriately attributed in both presentations and written work. All students are expected to do their own work and give appropriate credit for all sources used in the process of preparing papers, presentations, and homework assignments. Group assignments will be graded based on the product of the work, although some adjustment may be made for participation. [If you have a question about whether or not collaboration is allowed, or how to cite a reference, please ask. It is always better to check than to be accused of an unintended violation of the academic honesty policy.] Violations of the academic honesty policy will be dealt with in accordance to university policies [Refer to current Academic Catalog “Academic Integrity and Misconduct”].

**Course Level Penalties:** A first offense may result in a failing grade for the assignment. Second offenses may result in failure in the course. Significantly egregious violations may result in expulsion from the university. When in doubt give credit for all information that did not come directly out of your head!

**COVID-19 Accommodations**

Students requesting accommodations due to COVID-19 must work with the Disability Support Services (DSS) office. This office is located on the third floor of the Davis Student Commons, room 336. The office can also be contacted through their website (<https://www.ju.edu/disabilityservices/index.php>). This includes any request to complete class remotely.

**DISABILITY STATEMENT**

Students with a documented disability requesting classroom accommodations or modifications, either permanent or temporary, resulting from the disability are encouraged to register with the Disability Support Services (DSS) office. This office will assist in recommending accommodations that eliminate barriers in academic coursework and/or guide you through the different supportive mechanisms that we have to offer. This office is located on the third floor of the Davis Student Commons, room 336. The office can also be contacted through their website (<https://www.ju.edu/disabilityservices/index.php>).

Note: Students are encouraged to register with the DSS office at the beginning of the term and/or prior (if/when possible), as accommodations are not provided retroactively.