

Money and Capital Markets (FIN 3244)

Fall, 2019, CRN 11447

Lutgert College of Business

Department of Economics and Finance

Description	Explores the process of securing and allocating funds within the business organization with emphasis on relevant financial decision-making and policy aspects (3 credits).
Prerequisites	FIN 3403
Meeting Space/Time:	Lugert Hall 2202, T/Th 3:00-4:15 Final Exam Thursday, April 30 th , 12:30-2:45
Instructor	Tom Smythe, PhD Office Phone: (239) 745-4960 In-person Office Hours: 3362 Lutgert Hall, T/Th, 1:00 – 3:00 pm, by appointment. Online (and phone) Office Hours: By appointment.
Required Materials	The textbook is the primary learning resource for this course. Students must have access to <i>Financial Markets and Institutions</i> , 12 th Edition, Jeff Madura. You will also need to register to use the Financial Times web site (ft.com). This access will be covered under a separate set of instructions. In addition to the textbook, students will be asked to read articles posted on Canvas or on the ft.com website. These articles and the discussions surrounding them are fair game for test questions. Students must have access to, and working knowledge of, a Canvas-compatible web browser, Excel, Word, PowerPoint, and Adobe PDF Reader. Finally, you should have a BA-II Plus financial calculator.

FGCU Catalog and Course Description: An examination of money and capital markets with primary emphasis placed on the role of interest rates in these markets.

Course Objectives and Learning Outcomes: The goal of this course is for students to develop a foundational knowledge of financial markets, with a particular emphasis on the structure and determination of interest rates, and the significant role of the Federal Reserve and commercial banks in the transmission of monetary policy, as well as the role that banks play in transferring capital from savers to borrowers. The course is unlike most finance courses in that it IS NOT extremely quantitative; however, the understanding of the topics covered in the course are crucial for anyone planning a career in finance. Specific course learning outcomes are listed below:

Course Learning Outcome: 1) Understand the role, meaning and determination of interest rates and the factors influencing their term structure.

Methods of Assessment: HW and Exams.

Course Learning Outcome: 2) Understand the economic role, goals, tools, and tactics used by the Federal Reserve Bank.

Methods of Assessment: HW and Exams

Course Learning Outcome: 3) Understand the economic role and purposes served by the existence of financial intermediaries broadly, but commercial banks specifically, within the economy.

Methods of Assessment: HW and Exams

Course Learning Outcome: 4) Understand the different types of financial markets and the fundamentals of how those markets operate.

Methods of Assessment: HW and Exams

Course Policies

1. COURSE ORGANIZATION: The course is organized into three Modules in Canvas, loosely grouped as Interest Rates, The Fed and Commercial Banks, and Markets. Most supporting material for the course is currently available on Canvas. Graded HW will be available after the day the final set of material for that module is completed.
2. ANNOUNCEMENTS AND INBOX: Announcements and Inbox in Canvas are the official written communication mechanisms for this course. **(Please do not use regular email.)**
 - The Announcement feature in Canvas allows one-way communication from the instructor to students as a group for important announcements that are not specific to particular modules. Announcements are reserved for important, unexpected issues that the instructor wishes to make known to everyone in the class on short notice.
 - Inbox is the appropriate mechanism for communications between the instructor and students regarding topics of a personal nature that are not appropriate for sharing with everyone in the class. It may also be used to communicate information quickly to all students from the instructor.
 - Students should set up their Canvas accounts to receive notifications of Announcements and Inbox communications, etc. on their phones and/or email accounts.
3. READING ASSIGNMENTS: Each module has learning activities in the form of reading assignments and end-of-chapter questions. You also have access to the end-of-chapter questions in the text. Answers will be provided for the end-of-chapter problems after the material has been covered in class (see Graded HW below). I strongly encourage you to read the text before class. In my experience, this is one of the better textbooks to read. The instructor encourages students to work to help each other master the end-of-chapter problems. Students who find themselves stuck on a concept should not hesitate to reach out for help. The instructor is a firm believer in the high value of peer-to-peer learning.
4. GRADED HW: Graded HW will be random in nature in the following sense. You will be given end-of-chapter HW questions/problems and/or separate HW assignments that you are required to do. However, I will collect HW randomly. I will collect 5 HW sets throughout the semester. Only the top 4 will count towards your grade. If I choose to take up a HW assignment and you are not in class that counts as a zero. So, if you miss two classes on days that I take up HW, at least one of your 4 HW grades will be a zero. Yes, this is an incentive to a) do your HW and b) come to class. I will never take up HW before we finish covering material in class, nor will I take up a HW beyond one week from finishing the material.
5. WRITING ASSIGNMENT: There will be one short writing assignments during the semester. The paper will be no less than 5 pages, but no more than 7 and will be centered on a topic covered in class and articles that you are asked to read. These are formal writing assignments. Specific instructions will be provided on the topic, layout, and expectations. Both assignments will need to be typed.
6. EXAMS: Exams will be administered in class and may include problems (although very few)/short-answer and/or multiple-choice questions. EXAMS WILL BE ONLY 50 MINUTES IN LENGTH. On test days, new material will be covered in the latter third of the class. Material tested may include topics/issues that are covered in class that are not

covered in the text, e.g. article readings, discussions, guest speakers, etc. As we will discuss on the first day, you are living through a historic moment in time economically. We will take topics directly from the headlines and relate them directly to material in the course.

Exams are time-limited. In the event the instructor gives an exam that proves (at the instructor's sole discretion) to be "too long" for the amount of time allowed, the instructor reserves the right to make upward (only) adjustments to exam scores. The Final Exam is comprehensive. Some guidance will be given on what material from the past should be reviewed for the final. There are no make-up exams. In the event of one missed exam (Exam 1 or Exam 2), the weight of the missed exam will be added to the Final Exam. There is no option to drop an exam score once the exam has been taken (or attempted). A second missed exam will receive a score of "0." A missed Final Exam will receive a score of "0." Being new to this type of grading strategy, I had a number of students this summer "miss" one of the tests that they believed was hardest, hoping the volume of material would be less on the final. However, that strategy generally proved to be self-destructive. I would discourage using a missed exam as a grade management strategy.

7. **BLOOMBERG MARKET CONCEPTS (BMC):** Each student will be required to complete the Bloomberg Market Concepts course in the Bloomberg lab. A passing grade of 70 is required to receive full credit for this assignment. Receiving a score below 70 will lead to a grade of 60% on the assignment. Failure to complete the assignment will result in a zero.
8. **EXTRA CREDIT, MAKE-UP & LATE WORK:** There are no provisions for extra credit, make-up, or late work. No credit will be given for any graded material submitted after the due date/time.
9. **TECHNOLOGY PROBLEMS:** If a system error occurs within Canvas that results in a student not being able to complete an online graded activity (i.e. the Canvas system goes "down" for an extended period of time near a due date/time), the student must notify the instructor of the date and time of the issue and the graded item involved. The instructor will verify the problem with Canvas and notify the student of a solution. Students are responsible for resolving any other technology problems that may arise. The instructor provides no technical support.
10. **GRADES:** Course grades are determined as follows:

Graded HW	10% (2.5% each for the 4 counted)
Written Assignment	10%
Bloomberg Market Concepts	5%
Exam 1	22%
Exam 2	22%
<u>Comprehensive Final Exam</u>	<u>31%</u>
Total	100%

Cutoffs for letter grades (rounded to nearest whole percentage): A = 90%, B = 80%, C = 70%, F = less than 70%. Grades at XX.5 will be rounded up.

Some Advice from the Instructor

To succeed in this course, students should allow adequate time each week to master the course material. Scheduling study time and HW time in a calendar can be a huge help. Forming study groups can be a huge help. Students who find

themselves spending less than 6-9 hours each week on this course are either very bright (great!) or they are probably not learning everything the instructor hopes they will learn.

Here is the recommended approach for each module in the course.

1. Read the textbook chapter(s).
2. Read the chapter(s) again, outlining it as you go and making sure you can replicate examples shown. Some students benefit from creating their own personal PowerPoints for each chapter. This is an amazing way to ensure you are fully engaged with the content.
3. Review the PowerPoint for the chapter(s), which will be posted on Canvas prior to the start of each module.
4. Answer the end-of-chapter questions and problems. Solutions will be provided on Canvas for the end-of-chapter questions shortly after the material is completed in class.
5. Complete the HW by the appropriate date and time. The way I have structured it is to encourage you to do it as we progress, as opposed to right before an exam.
6. Throughout the course, ask questions. While I am pretty good at seeing confused looks, I will not always know there is confusion. The best learning occurs in the classroom with discussion within the group. This course in particular is most beneficial from a learning perspective when there is open discussion.

University Required Statements

Academic Behavior Standards and Academic Dishonesty

All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the Student Code of Conduct and Policies and Procedures sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at <http://studentservices.fgcu.edu/judicialaffairs/new.html>

University Nondiscrimination Statement

Florida Gulf Coast University is committed to ensuring equity and fairness for all University employees, students, visitors, vendors, contractors and other third parties. As such, the University prohibits discrimination on the bases of race, color, national origin, ethnicity, religion, age, disability, sex (including sexual harassment/assault), gender identity/expression, marital status, sexual orientation, veteran status or genetic predisposition with regard to admissions, employment, programs or other activities operated by the University. This prohibition extends to enforcement of Title IX of the Education Amendments of 1972. Questions or complaints should be directed to the Office of Institutional Equity and Compliance (OIEC). The OIEC's phone number is (239)745-4366; the OIEC email address is OIEC@fgcu.edu.

Mental Health Resources

Counseling and Psychological Services (CAPS) provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any weekday between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at <https://www2.fgcu.edu/caps> for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

Disability Accommodations Services

Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university's guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a

disability, please see me or contact the Office of Adaptive Services. The Office of Adaptive Services is located in the Wellness Building. The phone number is 239-590-7956 or Video Phone (VP) 239-243-9453. In addition to classroom and campus accommodations, individuals with disabilities are encouraged to create their personal emergency evacuation plan and FGCU is committed to providing information on emergency notification procedures. You can find information on the emergency exits and Areas of Rescue Assistance for each building, as well as other emergency preparedness materials on the Environmental Health and Safety and University Police Department websites. If you will need assistance in the event of an emergency due to a disability, please contact Adaptive Services for available services and information.

Student Observance of Religious Holidays

All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

Canvas Tutorial and Distance Learning

A Canvas tutorial and other distance learning information are available online at <http://canvas.fgcu.edu/> and <http://itech.fgcu.edu/distance/>.

Library Resources

Main page: <http://library.fgcu.edu/>; Tutorials & Handouts: <http://library.fgcu.edu/RSD/Instruction/tutorials.htm>;
Research Guides: <http://fgcu.libguides.com/>

Verification of Attendance in Canvas (VAC)

All faculty members are required to use Canvas to confirm a student's attendance for each course by the end of the first week of classes. Failure to do so will result in a delay in the disbursement of students' financial aid. *The confirmation of attendance is required for all students, not only those receiving financial aid.*