



SYLLABUS Summer I, 6/6/2016 through 7/7/2016
FIN 312.01W (CRN 40008)
Money, Banking, and Financial Markets

Professor: Dr. Kishor Guru-Gharana

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Office Hours: 1) online through virtual office (24/7 for the whole semester)

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Course Description:

This course is designed to provide essential knowledge on how the concept of money and economic activity relate to each other in light of global financial markets. Material covered in this class includes a combination of corporate finance and economics topics. This course covers the nature and evaluation of money and its role in determining the overall level of economic activity. It also examines the role of banking, central banking, and monetary policy as they apply to financial instruments and institutions in the context of global financial markets.

The approach of the course is highly applications-oriented in order to introduce the student to real-world issues and problems that participants in financial markets regularly encounter. Moreover, international perspectives are fully integrated into the material because money and capital markets are rapidly becoming truly globalized. Also because financial markets continue to innovate and evolve, the nature of, and forces driving, such innovation are spotlighted. 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.

Detailed Course Objectives:

- **Financial Markets:** Provide the student with understanding and an analytical framework that enable one to understand, interact with, and operate in financial markets and institutions. Students should understand the function, nature, instruments traded and major participants of financial markets; be able to calculate/estimate the yield on various financial instruments.
- **Financial institutions:** students should understand why financial institutions exist, the significant forces favoring the development and use of indirect versus direct finance, the effects of financial crises on the broader economy, the significance of asymmetric information in financial markets.
- **Interest rates:** students should understand the nature and function of real and nominal interest rates, the relationship between risk and interest rates, and understand the market determination of interest rates and factors affecting their movement over time
- **Monetary policy:** students should understand the formulation, implementation and general impact of basic monetary policy measures; understand the nature and function of central banks in general and the Federal Reserve in particular.

- **The international financial system:** students should understand the nature, significance and determination of currency exchange rates, factors that affect exchange rates in the short run and long run, understand the appeal of and mechanisms employed in foreign exchange interventions by governments, and the relative advantages and disadvantages of fixed versus freely fluctuating exchange rates.

Prerequisites: (Lvl U ECO 231 Min Grade C or Lvl U ECO 2301 Min Grade C) and (Lvl U ECO 232 Min Grade C or Lvl U ECO 2302 Min Grade C) and Lvl U MATH 176 Min Grade C

Textbook(s) Required:

Financial Markets and Institutions, 8th edition, by Frederic S. Mishkin and Stanley G. Eakins. Pearson Prentice Hall. ISBN-13: 9780133423624 or the paperback authorized Global ed. (2016): ISBN-10:1-292-06048-4; ISBN-13: 978-1-292-06048-4. Use whichever you can find cheaper.

Other requirements

Financial Calculator –Texas Instruments BA II or comparable

Preferred Form of Communication

The best way to contact me is by email. I will reply as promptly as I could. Please put the course number 'FIN 312.01W' in the subject. Missing course number in the subject can delay the response time. If you do not hear from me within 24 hours, you can resend your email. Please consult your syllabus, the course page and Virtual Office forum in eCollege to see if your questions/concerns are addressed before sending me an email. If it is a question about the course content, you can also post it in the Virtual Office forum if you do not intend to keep the communication private. You are responsible for checking your university email daily for announcement, update and other information regarding the course.

What to Expect from a Summer Online Class (please note well)

There are two factors that you should consider carefully before you start this course. First, you should keep in mind that summer sessions are compressed and go very fast. That means that it is critical that you read materials as assigned, and work end of chapter problems as you go. A person who hopes to do well in a summer class cannot afford to fall behind. Second, online classes are different from face-to-face classes. Online education requires that the student be much more self-directed and work independently. In an online course, the student accepts responsibility for learning outcomes. The instructor's role is more of a facilitator and overseer – as opposed to lecturer/presenter. If you do not have sufficient time to devote to the class each week, and/or if you are not comfortable with this type of setting, you probably should rethink taking this class in a summer, online format. Keep in mind that Finance 312 is an upper-level finance course, and the performance requirements will be commensurate with same.

Syllabus Change Policy

The syllabus is a guide. Circumstances and events, such as student progress, may make it necessary for the instructor to modify the syllabus during the semester. Any changes made to the syllabus will be announced in advance in Webinar or through email.

GRADING

There will be only two exams together worth 1,000 points. Both exams will be submitted through eCollege. Each exam will be accessible for a period of 64 hours during the window period. Please check the Exam schedule given below and mark your calendar accordingly. You need to make sure

that you will have stable Internet access for at least a seven-hour period during each scheduled exam window. Important things to keep in mind while taking exams: Remember you must hit “submit” for your selection to be saved and evaluated. If you access eCollege through MyLeo, remember to close the MyLeo window while exploring the courses in eCollege. MyLeo will sign you out automatically after 20 minutes of inactivity (even though you are active in eCollege), which could result in you being signed out of eCollege automatically as well. **No makeup exams will be given in this summer course.**

Final grades in this course will be based on the following scale:

A = 90% or above; 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 email or call me telling me how much you need to make a certain grade. Grades are to be earned, not gifted. There will not be anything “extra” outside the assigned exams.

EXAMS SCHEDULE (Window period)

Exams	Exams Uploaded on*	Last Date**	Chapters Covered
Exam I (6 hours) 400 points	Saturday, June 18th, 2016	Monday, June 20th, 2016	1, 2, 3, and 4
Exam II (7 hours) 600 points	Monday, July 4th, 2016	Wednesday, July 6th, 2016	10, 11, 12, 13, and 15

*Uploading will be done in the morning (8 a.m.) of the starting date of the window period. The Exams are one-take and single-stretch Exams. That is, you have to finish the Exam in a single take (without breaking).

Mid-night (11:59 p.m.) of the Last Date. Start **at least 6 hours earlier for Exam I and 7 hours earlier for Exam II than 11:59 p.m. of the last date for the tests. Once the time passes 11:59 p.m. of the last date or you have spent the given time limit for the test (whichever comes first), the system will kick you out of the test. So, be very careful about the time remaining while taking the test.

University Specific Procedures Student Conduct

All students enrolled at the University shall follow the tenets of common decency, acceptable behavior conducive to a positive learning environment (See current *Student Guidebook* and *Netiquette* <http://www.albion.com/netiquette/corerules.html>).

Students with Disabilities: ADA Statement

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
Email: Rebecca.Tuerk@tamuc.edu

Website: Office of Student Disability Resources and Services

<http://www.tamuc.edu/campusLife/campusServices/studentDisabilityResourcesAndServices/>

Nondiscrimination Notice

Texas A&M University-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.

Tentative Schedule

Part I (Introduction/Overview)	
6/6/2016- 6/20/2016	Chapter 1: Role of Financial Markets & Institutions
6/6/2016- 6/20/2016	Chapter 2: Overview of the Financial System
Part II (Fundamentals of Financial Markets)	
6/6/2016- 6/20/2016	Chapter 3: The role of Interest rates in Valuation
6/6/2016- 6/20/2016	Chapter 4: Why do Interest rates change?
Window period: 6/18 - 6/20 Single take and one stretch test with time limit of 6 hours	Exam I: Chapters: 1, 2, 3, and 4
Part IV (Central Bank and the conduct of Monetary Policy)	
6/21/2016 – 7/7/2016	Chapter 10: Conduct of Monetary Policy: Tools, Goals, Strategy, and Tactics
Part V	
Financial Markets	
6/21/2016 – 7/7/2016	Chapter 11: The Money Markets
6/21/2016 – 7/7/2016	Chapter 12: The Bond Markets
6/21/2016 – 7/7/2016	Chapter 13: The Stock Market
6/21/2016 – 7/7/2016	Chapter 15: The Foreign Exchange Market
Window period: 7/4 - 7/6 Single take and one stretch test with time limit of 7 hours	Exam II: Chapters : 10, 11, 12, 13, and 15