

Money & Capital Markets

FINC 381: 501, 502, 503

Fall 2020

Boone Bowles

Mays Business School

Texas A&M University

Class Room:	Wehner 185
Office:	Wehner 360Q
LMS:	Canvas
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Website:	boonebowles.com/teaching/money

Section(s)	Class Hours	Office Hours
501	MWF 8:00-8:50am	MWF 8:55-9:10am
502	MWF 9:20-10:10am	MWF 10:15-10:30am
503	MWF 10:40-11:30am	MWF 11:35-11:50am
All		MW 12:00-1:00pm
All		MW 8:10-9:10pm

Course Description

This course examines money, financial markets, and financial institutions. The first half of the course covers interest rates, the Federal Reserve, monetary policy, and financial crises. The second half explores markets, financial instruments, banking, and other relevant topics. This course demands analytical thinking and the application of economic concepts.

Prerequisite: FINC 341 with minimum grade of C.

Objectives

This course provides students with a fundamental understanding of the U.S. financial system. Upon completion of this course, students will be able to (1) use economic reasoning to describe the need for financial institutions; (2) explain the Federal Reserve's role in the economy; (3) describe changes in interest rates using economic concepts; (4) describe various financial markets in the economy; (5) explain financial crises; (6) describe primary investment institutions; and (7) apply economic thinking and understanding of the financial system to interpret current events.

Materials

Required: **Financial Markets and Institutions, 9th edition**

Frederic S. Mishkin and Stanley G. Eakins

Students may purchase the 8th edition.

Financial Calculator

Common models include the HP 12c, HP 10b, and TI BA II.

Recommended: **Wall Street Journal**

Student subscription for \$4/mo.

Schedule

Pre-Midterm		Post-Midterm	
Week	Class Dates	Week	Class Dates
1	8/19, 8/21	8	10/7, 10/9
2	8/24, 8/26, 8/28	9	10/12, 10/14, 10/16
3	8/31, 9/2, 9/4	10	10/19, 10/21, 10/23
4	9/7, 9/9, 9/11	11	10/26, 10/28, 10/30
5	9/14, 9/16, 9/18	12	11/2, 11/4, 11/6
6	9/21, 9/23, 9/25	13	11/9, 11/11, 11/13
7	9/28, 9/30, 10/2	14	11/16, 11/18, 11/20
8	10/5	15	11/23
		16	12/?

mm/dd indicates mid-term and final exam dates. Exams will be administered online.

As an approximate guideline, we will cover chapters 1 through 10 of your textbook prior to the midterm exam and we will cover chapters 11 through 20 following the midterm. This is subject to change and the order we cover chapters may not match the order in the textbook.

Grading

Exams

There will be one mid-term exam and one final exam. The final exam will be comprehensive. The exams will be administered online on the dates scheduled. Only in *extreme circumstances* will the instructor consider rescheduling these exams.

Quizzes

There will be weekly quizzes administered online. Quizzes will typically be due at 4:59pm on Fridays – late quizzes will not be accepted. In general, these quizzes will include ten questions and will be multiple choice. They will cover material from both the textbook and lectures.

Group Participation & Discussions

Each student will be randomly assigned to a discussion group consisting of 4 or 5 students. The discussion group is expected to (i) meet frequently to discuss material from class, (ii) review and discuss responses to discussion questions, and (iii) work together on weekly quizzes.

Concerning (i), students will document a portion of their frequent group meetings by regularly holding *Mud* sessions in the discussions section of their group's Canvas page. A *Mud* session is where students discuss confusing (or *muddy*) material from recent class sessions.

Concerning (ii), there will be several discussion prompts throughout the semester. The deliverable for these assignments will be a short essay addressing the prompt as well as responses and/or debate with group members. These discussions will be facilitated via Canvas. Late discussion submissions will not be accepted.

Concerning (iii), students will document frequent group meetings by sending the instructor a Zoom link to join the meeting. The instructor may choose to join the meeting.

Grading Rubric

Assignment/Exam	Points		
Group Participation & Discussions	15	90% or higher	A
Quizzes	15	80% – 89%	B
Mid-term Exam	30	70% – 79%	C
Final Exam	40	60% – 69%	D
		less than 60%	F
TOTAL	100		

Grades may be curved as appropriate. **There will be no extra credit.**

Expectations

Instructor

The instructor is expected to begin class on time and to be prepared to deliver lectures and answer questions regarding the scheduled topics. The instructor is also expected to hold regular office hours and to be responsive to student emails.

Students

Students are expected to participate in lectures. Students are expected to read the materials from the textbook before class, and to reference them as necessary after class. Students are expected to be conversant in current financial news. It is expected that students are self-motivated, self-organized, and respectful. Students are expected to fully participate with their assigned group. Finally, students are expected to put forth effort on all assignments and exams, and to complete assignments on time.

Other Details

Aggie Honor Code

All students are expected to abide by the Aggie Honor Code: **"An Aggie does not lie, cheat, or steal or tolerate those who do."** Please refer to www.student-rules.tamu.edu/aggiecode for further details.

Americans with Disabilities Act Policy 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 believe you have a disability requiring an accommodation, please contact Disability Resources at Texas A&M University.

Phone and Laptop Policy

Phone use is not permitted in class. Laptops are allowed.

Prohibition of Recording

To encourage open, honest, and transparent discussions, all of us must have an expectation of privacy during the course of the semester. To this end, you are not authorized to make an audio, video, or photographic record of any person or occurrence that happens within the classroom.

Food and Beverage Policy

It is established policy in the Wehner building that no beverages, food, tobacco products, or animals (unless approved) be permitted in the classrooms, with the exception of bottled water.

Copyrights

All lectures and course materials (including syllabus, slides, quizzes, tests, and similar materials) are the intellectual property of the instructor. Students may print and make copies for their own use. However, students are not authorized to share, reproduce, distribute, or otherwise make public (online or elsewhere) these course materials without the written consent of the instructor.

ADDENDUM - Adjustments to Covid-19

Course Structure

The course is structured to be simple and similar to a standard face-to-face format. Class will meet three times per week, as scheduled. Class sessions will be interactive. Office hours will be regular. Essentially, students have four primary responsibilities: (i) attend and participate in class, (ii) regularly engage with your assigned group, (iii) put forth effort on quizzes and exams, and (iv) study material outside of class.

Class Attendance

Students are expected to attend their scheduled class, whether in person or synchronously via Zoom. The instructor will randomly assign students to attend in-class on Mondays, Wednesdays, or Fridays. Student requests to change attendance days will only be approved *in extreme circumstances*. (Please see the University's policy on attendance to face-to-face classes). Though the instructor will not take regular attendance, it is highly recommended that students attend every class. Quiz and exam questions will be generated from class material, not strictly from the textbook. **Students are not authorized to share the link to Zoom class meetings.**

Class Structure

Class sessions will start on time. Class will typically begin with a discussion of current financial news. Students and/or groups may be called upon to lead this type of discussion. Class sessions will then focus on course material. **Class participation is encouraged at all times.**

Office Hours

Office hours will be conducted via Zoom as scheduled above. Students are strongly encouraged to make the scheduled office hours. If students cannot make the scheduled office hours, they should email the instructor and propose an alternative time to meet via Zoom.

Exams

Exams will be administered online via Canvas and may be proctored via Zoom. The only resource allowed for exams will be the student's financial calculator.

University Guidelines

Please follow all university guidelines. www.tamu.edu/coronavirus

Other

It is imperative that we all remain patient with each other as we are all navigating abnormal class structures together. Early and frequent communication of problems or misunderstandings or questions will help alleviate stress associated with these new structures.