Money & Capital Markets
FINC 381-501
Spring 2020

Boone Bowles

Office Hours: M 11:00am-12:00pm | Class Hours: M/W 8:00-9:15am
Office: Wehner 360Q | Class Room: Wehner 109
E-mail: boone.bowles@tamu.edu | Phone: 979.845.4849

Course Description

This course examines money, financial markets, and institutions. The first module of the course studies interest rates, the Federal Reserve, monetary policy, and financial crises. The second module explores markets, financial instruments, banking, and other relevant topics.

This course demands analytical thinking and the application of economic concepts, but it is not a tools course, *per se*. Instead, by studying the financial system this course provides context for students as they apply tools acquired in other courses.

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.

Grading

Exams

There will be one mid-term exam and one final exam. The final exam will cover subject matter from the entire course. The exams will be administered on the dates indicated on the attached schedule. Only in *extreme circumstances* will the instructor consider rescheduling these exams. **Please do not miss the scheduled exams.**

Quizzes

There will be weekly quizzes, typically due at 11:59pm on Mondays – late quizzes will not be accepted. In general, these quizzes will include ten questions and will be multiple choice. They are intended to help students apply the ideas discussed in class. Quizzes will cover material from both the textbook and lectures.

Discussion Questions

There will be up to ten discussion questions, providing students with the opportunity to think critically about the concepts from class and apply them to real-world events. The deliverable for these assignments will be a short essay addressing a prompt. Late discussions will not be accepted.

Grading Rubric

Assignment/Exam	Points
Discussion Questions	10
Quizzes	20
Mid-term Exam	30
Final Exam	40
TOTAL	100

90% or higher	A
80% – 89%	B
70% – 79%	C
60% – 69%	D
less than 60%	F

If needed, grades may be curved as appropriate. **There will be no extra credit**.

Materials

Required: **Financial Markets and Institutions, 9th edition**
Frederic S. Mishkin and Stanley G. Eakins
The 9th edition is only available for rental (e-book or physical copy). If students want to purchase a physical copy of the book, they may purchase the 8th edition.

Financial Calculator
Common models include the HP 12c, HP 10b, and TI BA II.
The instructor will do examples using an HP 12c.

Additional readings may be distributed to the class.

Recommended: **Wall Street Journal**
Note: Student subscription for $4/mo.

Expectations

Instructor

Students can expect the instructor to begin class on time and to be prepared to deliver lectures and answer questions regarding the scheduled topics. Students can also expect the instructor to hold weekly office hours.

Student

Students are expected to participate in classroom lectures. Students are expected to read the materials from the required textbook before class, and to reference them as necessary after class. It is expected that students are self-motivated, self-organized, and respectful. Finally, students are expected to put forth effort on all assignments and exams, and to complete assignments on time. **Students are expected to attend class and to be prepared to engage in lectures.**

Schedule

Module 1		Module 2	
Week	Class Dates	Week	Class Dates
1	1/13	10	3/16,3/18
2	1/22	11	3/23, 3/25
3	1/27, 1/29	12	3/31, 4/1
4	2/3 , 2/5	13	4/9, 4/8
5	2/10, 2/12	14	4/13, 4/15
6	2/17, 2/19	15	4/20, 4/22
7	2/24, 2/26	16	4/27, **4/30**
8	3/2, **3/4**		

Topics & Textbook Chapters	
Money & Interest Rates	Financial Markets
Federal Reserve	Banking
Monetary Policy	Mutual Funds
Market Efficiency	Special Topics
Regulation	
(Ch. 1-10, 18)	(Ch. 11-14, 17, 19-20)

m/dd indicates in class mid-term and final exam dates.

The final exam will be held in Wehner 109 from 10:00am to 12:00pm.

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.