

Money & Capital Markets

FINC 381

Spring 2024

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

Sections	Class Hours	Office Hours
501	MW 8:00-9:15am	MW 11:00am-12:00pm
502	MW 9:35-10:50am	MW 11:00am-12:00pm

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, 10th edition**
 Frederic S. Mishkin and Stanley G. Eakins
 Students may use the eTextbook via Pearson+ (\$10.99/mo.) or rent a physical copy (\$74.99/semester). ISBN-13: 978-0138043681

Financial Calculator

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

Recommended: **Wall Street Journal**
 Student subscription for \$2/mo.

Schedule

Pre-Midterm		Post-Midterm	
Week	Class Dates	Week	Class Dates
1	1/17	9	SPRING BREAK
2	1/22, 1/24	10	3/18, 3/20
3	1/29, 1/31	11	3/25, 3/27
4	2/5, 2/7	12	4/1, 4/3
5	2/12, 2/14	13	4/8, 4/10
6	2/19, 2/21	14	4/15, 4/17
7	2/26, 2/28	15	4/22, 4/24
8	3/4, 3/6	16	4/29, 5/2, 5/3

m/dd indicates midterm and final exam dates. For Section 501 the final is **5/2 at 10:00am**. For Section 502 the final is **5/3 at 8:00am**.

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

Assignment/Exam	Points		
Midterm Exam	30	90% or higher	A
Final Exam	35	80% – 89%	B
Quizzes	15	70% – 79%	C
Group Participation & Essays	15	60% – 69%	D
News Reading & Discussion	5	less than 60%	F
TOTAL	100		

Grades may be scaled at the end of the semester as appropriate. There will be no extra credit. Late work will not be accepted.

Exams

There will be one midterm exam and one final exam. The final exam will be comprehensive. Only in *extreme circumstances* will the instructor consider rescheduling these exams.

We can all have bad days and may underperform for odd reasons. With this in mind, you may decide to drop your midterm score. If you wish to drop your midterm score, you must email me within a week of receiving your midterm results, and this decision is irreversible. If you drop your midterm, the final will count for 65% of your grade. Weigh this option carefully as placing 65% of your course grade on your final is a risky strategy. Also, this option is void for students who skip the midterm exam or, based on the instructor's judgement, do not put in proper effort.

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 & Essays

Each student will be randomly assigned to a study group consisting of four or five students. Study groups are expected to (1) meet together frequently to discuss and review material from class; (2) work together on weekly quizzes (though each student must submit their own quiz); and (3) work together to respond to four short response essays (your group must submit one joint response essay).

Groups are free to meet in person or on Zoom. Groups are also **strongly encouraged** to send an email with a Zoom meeting link to the instructor when their meetings begin. In order to be awarded points for group participation there must be evidence that groups are meeting together, these emails serve as some evidence. **Also, the instructor will often join in the meetings** – if his schedule permits – to help with quiz questions or otherwise explain material from class.

As previously mentioned, groups will deliver four short response essays (one- to two-pages single spaced) during the semester. Essay prompts will be posted one week before the respective due date. Group members are jointly responsible for ensuring that their work adheres to the **Aggie Code of Honor**. The instructor will use Turnitin AI software for submissions – unintentional plagiarism is still plagiarism – and ChatGPT is terrible with attribution and risks running afoul of the Aggie Code of Honor. You will be graded jointly on your group essays, but the instructor will be eliciting feedback on free riding; essay grades will be penalized for any group members clearly not pulling their weight.

News Reading & Discussion

Class sessions typically begin with a brief discussion of the latest financial or economic news. Prominent news sources to inform these discussions include the *Wall Street Journal*, *Financial Times*, *Bloomberg*, *The Economist*, and *CNBC*. You are strongly encouraged to follow the news this semester. You are also encouraged to come to class ready and willing to discuss current news. The instructor will be keeping track of participation.

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

Communication Policy

Communication via email is best. **Do not try to communicate with the instructor using Canvas.** Emails should largely concern administrative matters. Questions regarding course material should be raised during class or office hours. Most (if not all) class-wide communication from the instructor will also be via email using a course specific listserv.

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.