

# FIN3200 – Money, Banking and Credit

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Instructor: Helen Saar  
Class time: TR 9:00 am - 10:15 am  
Office Hours: TR 10:30 am – 11:30 am  
and by appointment

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## Prerequisites:

FIN3150 (Managerial Finance I)

## Text

**Financial Institutions, Markets, and Money (11<sup>th</sup> Ed.)**

By Kidwell, Blackwell, Whidbee and Sias

John Wiley & Sons

ISBN: 978-0-470-56108-9

## Summary of the class

In a today's world financial markets are an integral part of our everyday lives. Daily news reflect on the changes at the New York Stock Market or any other market, and those changes affect each of us directly or indirectly. It is important to understand how the financial markets, who are the participants in the financial markets, and how do the different financial instruments work.

## Learning Outcomes (LO)

This course is intended to address the following Bachelor of Business program learning outcomes on the introductory and developmental levels:

1. Students will demonstrate a working level knowledge of the core functional areas of business:
  - A. Students will demonstrate a working level knowledge of core business functions of finance
  - B. Students will analyze a complex business situation, identify relevant functional financial issues and suggest viable courses of action
2. Students will process a complex business situation and develop sound alternatives for action utilizing qualitative and quantitative analysis
3. Students will possess the interpersonal and communication skills necessary to succeed in business:
  - A. Students will deliver professional quality oral presentations
  - B. Students will prepare professional quality written presentations

4. Students will analyze a complex business situation and identify relevant ethical issues and suggest viable courses of action.

## Course Objectives

The objectives of the FIN3200 class are:

1. To learn about financial markets (e.g., the New York Stock Exchange, Nasdaq, the Treasury market, the foreign exchange market), and financial institutions (e.g., commercial and investment banks, brokerages, mutual fund companies) [LO1A]
2. To learn how financial markets, institutions, and instruments allow (and restrict) the shifting of cash flow timing and risk [LO1A, 2A and 2B]
3. To learn how debt and equity securities are priced and traded [LO1A, 1B]
4. Become familiar with banking history and how it has evolved through time [LO1A, 2A]
5. Improve reading comprehension skills in the topic of financial markets [LO 1A and 1B]
6. To increase your analytical skills related to financial markets and investments [LO 1B, 2]
7. Be exposed to issues relating to ethics in finance [LO 4].

## Calculator

You must have a financial calculator to get through the course. Many of the homework and exam problems involve complex financial calculations and a financial calculator is necessary to solve them. I recommend HP-10BII or Texas Instruments BA II Plus. It is your responsibility to familiarize yourself with the user's manual of your calculator!

## Class Notes and Assignments

All lecture notes, external readings, and assignments can be downloaded from *Canvas*®. Quizzes and assignments will be posted on *Canvas*® and need to be taken by the deadline. Assignment deadlines will NOT be changed.

### 1. Problem Sets

Most of the finance concepts can only be mastered through practice and solving of problems related to the topic. It is beneficial to solve as many exercises, questions and problems at the back of each chapter as possible.

There will be **four (4)** Problem Sets. The problem sets will emphasize the learning of skills of using financial calculator and MS Excel and communicating the results correctly, clearly and professionally. The way to get high grades on these assignments is to **start early, ask questions**

**when you get confused, and turn in the assignment on time.** Another good reason for doing well on Problem Sets is that most of the exam questions will be similar to the problems in the Problem Sets.

I encourage you to **work in a group** to solve the problem sets. BUT make sure that you learn the skills by solving the problem sets yourself as well and that **your written work is in your own words** and not a copy/paste of someone's work. If there are multiple papers with substantial overlap, **only one grade will be assigned and that grade will be equally divided among overlapped papers.**

The deadlines for the problem sets are listed in the tentative schedule attached to the syllabus. The problem sets are to be turned in by the deadline to *Canvas*®. Late submission is not accepted. Submit your work with the problems clearly labeled. If part of a problem is to do a chart, then answer that part by referring to the integrated Excel output of the chart. Failure to make your work clear may result in a lower grade.

## 2. Quizzes

Quizzes will be posted on *Canvas*®. They are designed to check your knowledge of key terms and definitions, and also to help you prepare for the exams. The ten highest graded quizzes will count towards your course grade and will contribute up to 10%.

## 3. Exams

There will be three exams: two mid-term exams and final exam. The exams will not be comprehensive. Each exam will consist of a combination of objective (multiple choice) questions and analytical problems. You must have a written medical excuse to be absent from the exam.

## 4. Extra credit Assignments

Throughout the semester there will be **two** extra credit assignments that will be posted on *Laulima*. Completing these assignments is **voluntary**. They are to be turned in to *Laulima* by the given deadline. Each extra credit assignment will be graded and can add up to 2% each to your final grade.

## 5. Group Project

There will be a group project assignment that will be due at the end of semester. The groups should include 3-4 students. The first draft of the Group Project will be due 2 weeks after the semester break on October 23, 2012. The more detailed instructions about the Group Project will be given in class and will be posted on *Canvas*®.

## Course Grade

Your course grade will be based on the total points accumulated on the various assignments completed. The following weights pertain to those assignments:

◇ Problem sets: .....	15%
◇ Quizzes: .....	10%
◇ Group Project: .....	15%
◇ Mid-term Exam # 1: .....	20%
◇ Mid-term Exam # 2: .....	20%
◇ <u>Final Exam: .....</u>	<u>20%</u>
	100%
◇ <u>Extra Credit assignments: .....</u>	<u>5%</u>
	<b><u>105%</u></b>

The letter grades will be assigned as follows:

98% and up – A+	86.0-88.9% – B+	75.0-77.9% – C+	55.0-64.9% – D
93.0 -97.9% – A	82.0-85.9% – B	71.0-74.9% – C	Below 55% – F
89.0-92.9% – A-	78.0-81.9% – B-	65.0-70.9% – C-	

## Class Rules

I do not enforce attendance, but students who attend class and participate tend to do better in this class. The lectures are designed to give you the ability to recognize when to use the proper statistical procedures, to demonstrate how MS Excel is used to facilitate the analysis of data, and to see how to communicate the results to others in a clear way.

Cell phones and other gadgets – please, need I say more.

Please be on time!

### 6. Academic Integrity

All students are expected to uphold standards of academic honesty. Failure to uphold school policies relating to behavior (plagiarism, cheating, etc.) may result in failure of and/or expulsion from the class. Specific DSC policy regarding academic dishonesty can be found in the DSC Policies and Procedures Manual policy 34. Academic dishonesty includes cheating and plagiarism. The following are examples of violations of the Student Conduct Code:

- (1) **Cheating** includes, but is not limited to, giving unauthorized help during an examination, obtaining unauthorized information about an examination before it is administered, using inappropriate sources of information during an examination, altering

the record of any grade, altering an answer after an examination has been submitted, and misrepresenting the facts in order to obtain exemptions from course requirements.

- (2) **Plagiarism** includes, but is not limited to, submitting, to satisfy an academic requirement, any document that has been copied in whole or in part from another individual's work without identifying that individual; neglecting to identify as a quotation a documented idea that has not been assimilated into the student's language and style; paraphrasing a passage so closely that the reader is misled as to the source; submitting the same written or oral material in more than one course without obtaining authorization from the instructors involved.

### **Class Communication/Dmail**

Important class and college information will be sent to your D-mail email account. This information includes your DSC bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and at DSC. All DSC students are automatically assigned a Dmail email account. If you don't know your user name and password, go to [www.dixie.edu](http://www.dixie.edu) and select "Dmail," for complete instructions. You will be held responsible for information sent to your Dmail email, so please check it often. I may periodically communicate with you through the announcement function on Canvas.

### **Americans with Disability Act**

If you suspect or are aware that you have a disability that may affect your success in the course you are strongly encouraged to contact the Disability Resource Center (DRC) located in the North Plaza Building. The disability will be evaluated and eligible students will receive assistance in obtaining reasonable accommodations. Phone # 435-652-7516.

### **Additional Resources**

Academic Calendar - <http://new.dixie.edu/reg/?page=calendar>

Computer Labs – Hazy Building room 200.

Library: <http://library.dixie.edu>

Writing Center - [http://new.dixie.edu/english/dsc\\_writing\\_center.php](http://new.dixie.edu/english/dsc_writing_center.php)

Testing Center - <http://dixie.edu/testing>

Tutoring Center - <http://dsc.dixie.edu/tutoring/>

Policy for Absences Related to College Functions:

<http://www.dixie.edu/humanres/policy/sec5/523.html>

Disruptive behavior policy / classroom expectations:

<http://www.dixie.edu/humanres/policy/sec3/334.html>

Academic dishonesty / Academic integrity policy :

<http://www.dixie.edu/humanres/policy/sec3/334.html>

**Tentative Class Schedule:**

Below is the **tentative** schedule of assignments, which is subject to changes depending on progress made during the course. Reading assignments are from the textbook and external readings are available on .... You should read the material **prior to class** so as to **maximize** the usefulness of the classroom time.

<b>Date</b>	<b>Topic</b>	<b>Assignments</b>	<b>Notes</b>
Aug 21	Syllabus Review Ch 1. An overview of financial markets and institutions		
Aug 23	Ch.1. An overview of financial markets and institutions Ch. 2. The Federal Reserve and its powers		
Aug 28	Ch 2. The Federal Reserve and its powers		
Aug 30	Ch. 3. The Fed and Interest Rates		
Sep 4	Ch. 3. The Fed and Interest Rates		
Sep 6	Ch. 4. The level of interest rates	<b>PS # 1 due</b>	
Sep 11	Ch. 6. The structure of interest rates		
Sep 13	Ch. 7. Money markets.		
Sep 18	Ch. 7. Money markets		
Sep 20	Ch. 5. Bond prices and interest rate risk Ch. 8. Bond markets		
Sep 25	Ch. 8. Bond markets		
Sep 27	Ch. 10. Equity markets	<b>PS # 2 due</b>	
Oct 2	Ch. 10. Equity markets		
Oct 4	Review for Mid-term	<b>PS # 3 due</b>	
Oct 9	<b>Mid-term Exam</b>		
Oct 11	NO CLASS – Semester Break		

Oct 16	Ch. 9. Mortgage markets		
Oct 18	Ch. 11. Derivatives markets		
Oct 23	Ch. 11. Derivatives markets	<b>Group Project draft due</b>	
Oct 25	Ch. 12. International markets		
Oct 30	Ch. 13. Commercial bank operations	<b>PS # 4 due</b>	
Nov 1	Ch. 14. International Banking		
Nov 6	Ch. 15. Regulation and financial institutions		
Nov 8	Ch. 16. Thrift institutions and finance companies		
Nov 13	Ch. 17. Insurance companies and pension funds		
Nov 15	Ch. 18. Investment banking		
Nov 20	Ch. 18. Investment banking		
Nov 22	NO CLASS – Thanksgiving		
Nov 27	Ch. 20. Risk management and financial institutions		
Nov 29	Ch. 20. Risk management and financial institutions		
Dec 4	Group Project Presentations	<b>Group Project Written Report due</b>	
Dec 6	Final Exam Review		
<b>Dec 13</b>	<b>Final Exam</b>	<b>8:00am – 10:00 am</b>	