Course Syllabus
FCBE 3720-001 – Financial Markets
Spring Semester, 2018
3.0 Credit Hours
12:40 pm – 2:05 pm MW FCB 370
(Last updated: 01/08/2018)

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Office: FEC 113
Office Hours: Mondays and Wednesdays 2:30 – 4:00 pm and by appointment

Course Overview:
This course examines the operation of financial markets and financial intermediaries, along with their role in providing financing to the corporate and public sectors of the economy. The objective of the course is to provide detailed knowledge of a variety of financial instruments and the markets in which they trade. Topics covered include the financial system, the markets for different types of securities, financial derivatives.

Pre-Requisites:
FIR 3410 Financial Management

Required Texts (and Related Materials):

Financial Calculator:
You should have a financial calculator for some portions of this course. The Texas Instruments BAII Plus is the preferred calculator, and is available at U of M bookstores and popular office supply stores. You may use any brand of financial calculator for the course as long as it has functions for net present value (NPV) and Internal Rate of Return (IRR), but the TI BAII+ is used in the lecture presentations and the use of other calculators will not be explained. It is your responsibility to learn/know how to use your calculator. (The Hewlett Packard 10BII+ is another popular and inexpensive financial calculator.)
Location of Course Materials:
This is a fully online course and all course materials (lectures, discussion topics, news, etc.) are located on the eCourseware website (opens in new window).

Course Objectives:
By successfully completing this course, students will be able to:

- Apply the loanable funds theory to explain why interest rates change and to explain the theories behind the term structure of interest rates.
- Describe the organizational structure of the Fed and the mechanics of monetary policy and explain how the Fed influences monetary policy.
- Describe the different types of money market, debt market, and mortgage market securities; explain the valuation and risk of these securities.
- Describe the private equity market and how an investor participates in the stock market; explain how to value stocks and measure their risk; describe the common types of stock transactions and explain how stock transactions are executed; describe the key functions of securities firms.
- Summarize the different types of derivative securities markets and explain how each can be used to manage risk.

Fogelman College: Learning Outcomes for Your Degree
This course is designed to help you to meet the overall learning objectives for the BBA degree offered by the Fogelman College. You should take the time to become familiar with the overall learning objectives as a student in the BBA degree program.

- BBA Program Outcomes (opens in new window)
- BBA in Accounting Program Outcomes (opens in new window)
- MBA Program Outcomes (opens in new window)
- IMBA Program Outcomes (opens in new window)
- EMBA Program Outcomes (opens in new window)
- MSBA Program Outcomes (opens in new window)
- MS in Accounting Program Outcomes (opens in new window)
- MA in Economics Program Outcomes (opens in new window)
- PhD Program Outcomes (opens in new window)

Course Methodology
The course will be taught lecture style with a heavy reliance on in-class exercises. The goal is to help you learn financial markets as well as pass the exams. If you are having a difficult time understanding course materials, please reach out to me. The longer you wait the harder it gets. Talking through issues and asking questions help clarify a concept.
I will be communicating with you frequently. Check your email at least once a day. Class participation is very important. Attendance and level of class participation is part of your grade.

**Professor's Expectations of Students:**

In general, you should assist the instructor in creating a positive, supportive environment for learning by staying engaged in the course and actively participating in in-class discussions.

**Student's Expectations of the Professor:**

In my role as your instructor, there are certain things you can expect from me including: well-organized and engaging learning experience, response to emails within two (2) business days, and feedback on all work submitted within 7-10 calendar days.

**Grading and Evaluation Criteria**

Over the semester, you will have a variety of opportunities to earn points towards your final (overall) letter grade in this course. This section of the syllabus describes the assessed work you will be doing and how overall (final) letter grades will be computed.

**Final Course Grades**

Final course grades are earned according to the following table:

<table>
<thead>
<tr>
<th>Point Range</th>
<th>Assigned Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100 %</td>
<td>A</td>
</tr>
<tr>
<td>80-90 %</td>
<td>B</td>
</tr>
<tr>
<td>70-80 %</td>
<td>C</td>
</tr>
<tr>
<td>60-70 %</td>
<td>D</td>
</tr>
<tr>
<td>Under 60 %</td>
<td>F</td>
</tr>
</tbody>
</table>

Your overall grade for the semester is based on how well you perform on a mixture of formal activities including discussions, quizzes, and assignments. The instructor reserves the right to curve grades at any time. A detailed description of each of the assessed activities can be found after the scoring summary table below.

**Summary of Graded Activities**

Points earned on the assessed activities will be distributed as follows:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance/Participation</td>
<td>15%</td>
</tr>
<tr>
<td>Quizzes/Assignments</td>
<td>20%</td>
</tr>
<tr>
<td>Deliverable</td>
<td>Weights</td>
</tr>
<tr>
<td>-------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Midterm Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>35%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Course Topics:**

Introduction to the Course Overview of the Financial Environment

- Role of Financial Markets and Institutions
- Determination of Interest Rates
- Structure of Interest Rates
- Reading Assignment: Chapters 1-3

Debt Security Market

- Money Markets
- Bond Markets
- Reading Assignment: Chapters 6-7

Debt Security Market (continued)

- Bond Valuation and Risk
- Mortgage Markets
- Reading Assignment: Chapters 8-9

Equity Markets

- Stock Offerings and Investor Monitoring
- Reading Assignment: Chapter 10

Equity Markets (continued)

- Stock Valuation and Risk
- Market Microstructure and Strategies
- Reading Assignment: Chapters 11-12

Derivative Markets

- Financial Futures
- Options Markets
- Swap Markets (optional)
- Reading Assignment: Chapters 13-14, 15

The Fed and Monetary Policy

- Function of the Fed
- Monetary Policy
- Reading Assignment: Chapters 4-5
Homework assignments

Homework will be assigned for selected chapters, and is due before the start of the class on the due date.

Quizzes

In-class quizzes will be given for selected chapters at the beginning of classes.

Final Exam Schedule

The final exam for this class will be scheduled according to the [Registrar’s academic calendar website](opens in new window).

Course Policies

E-MAIL:

All students are required to maintain and access their University of Memphis (@memphis.edu) email account. You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility.

Attendance

You are expected to attend each class. When absence is unavoidable, you are expected to obtain the class notes on your own. You are responsible for demonstrating a high level of math and communication skills.

Adding / Dropping:

If you have questions about adding or dropping classes, please refer to this page on the [Registrar’s website](opens in new window).

Academic Integrity:

The University of Memphis has clear codes regarding cheating and classroom misconduct. If interested, you may refer to the Student Handbook section on academic misconduct for a discussion of these codes. Note that using a “Solutions Manual” is considered cheating. Should your professor have evidence that using a “Solutions Manual” has occurred, he/she may take steps as described on the campus' [Office of Student Conduct website](opens in new window). If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the [Fogelman College’s Website on Academic Integrity](opens in new window).
Participation:

To be successful in this course as a student, you must stay active and involved throughout the entire semester. Students are expected participate in all interactive aspects of the course. You should also regularly communicate with the instructor as part of your overall learning experience.

Classroom or Online Behavior:

All participants in the course should be considerate of the other course participants and treat them (as well as their opinions) with respect. The class will operate under the assumption that any and all feedback offered is positive in nature and that the intentions of the person(s) providing feedback are strictly honorable. Insensitivity in this area will not be tolerated. If you have any questions about online communication, you should review the Fogelman College's Netiquette website (opens in new window).

Late Assignments:

Assignments and projects may be submitted anytime up to and including the date due. Please review all information in this syllabus and related “Course Activity Summary / Schedule” for all due dates for formally assessed work.

Reporting Illness or Absence:

Due dates and deadlines have been established for each graded assignment. In this course, deadlines are taken very seriously. Please do not wait until the last day to submit assignments or to take quizzes and exams. If an emergency should arise, it is the student’s responsibility to contact the instructor prior to the deadline to discuss the matter. A deadline extension will be considered only if all of the following conditions are met: (1) Extreme emergency and (2) Instructor contacted prior to the due date.

Inclement Weather:

In the event that inclement weather requires the cancellation of classes at The University of Memphis, local radio and television media will be immediately notified. Additionally, The University of Memphis has established an Inclement Weather Hotline at 678-0888 as well as TigerText (opens in new window), an emergency alert text messaging service to students, faculty and staff. This optional service is used in the event of an on-campus emergency, an unscheduled university closing, or a delay or cancellation of classes due to, for instance, inclement weather. Additional information on TigerText (opens in new window).

Syllabus Changes:

The instructor reserves the right to make changes as necessary to this syllabus. If changes are necessitated during the term of the course, the instructor will immediately notify students of such changes both by individual email communication and posting both notification and nature of change(s) on the course bulletin board.
Student Services

Please access the [FCBE Student Services (opens in new window)] page for information about:

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance