

NEW JERSEY INSTITUTE OF TECHNOLOGY
SCHOOL OF MANAGEMENT
Financial Markets and Institutions
FIN 218, Sections 001, 101, HM1
Fall, 2016
Revised 8/3/16

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Office Hours: Tuesday, 2:30-5:30 and by appointment

Class: **001, HM1:** Tuesday and Friday, 1:00-2:25, Kupfrian Hall 208
101: Wednesday, 6:00-9:00, Faculty Memorial Hall 305

Final Exam: **001, HM1:** TBA
101: Wednesday, December 21, 6:00-9:00, Faculty Memorial Hall 305

Course Description: Finance 218 gives an introduction to the main features of the financial markets and institutions of the United States. First, we will discuss interest rates and rates of return and how they are determined. Then we will review the securities traded on the U.S. financial markets including bonds, stocks, and derivatives. In the final section, we will go over how financial institutions, particularly banks, work and sometimes don't work.

Text: Mishkin and Eakins, **Financial Markets and Institutions, 8th Ed.**, Pearson Prentice Hall
ISBN: 9780133423624

Web site: http://wps.prenhall.com/bp_mishkin_finmkt8/243/62335/15957813.cw/index.html

Calculator: It is recommended that you have a financial calculator. We will not do a lot of calculation in this course, but I will demonstrate certain applications of the calculator in class and you will need it for FIN 315 and other finance courses. Suggested models are TI BA II+, HP 10BII, or HP 12C.

Financial Publications: We will spend some time in most classes discussing relevant current financial news. You should regularly read at least one of the following publications for financial news: Wall Street Journal, New York Times business section, Financial Times, Business Week, Fortune, or the Economist, and be prepared to talk about important events in the financial world.

Moodle: There is a Moodle site (at <http://moodle.njit.edu/>) for this course on which documents will be posted as needed. Login to Moodle using your UCID and password. All announcements, assignments, changes, etc. are posted there. The student is responsible for remaining up to date at all times. I will send e-mails to your NJIT e-mail address through Moodle. It is your responsibility to check your NJIT e-mail account regularly or to set it up to automatically forward e-mails to another account that you do check regularly.

Learning Goals and Outcomes:

1. Analytical and Problem Solving Skills
 - a. Students will display an ability to apply knowledge of financial concepts to solve business problems
 - b. Students will be able to use quantitative methodologies as tools to help understand business problems.
2. Information Skills
 - a. Students will know important sources that can be used to obtain relevant data for solving financial problems and how to collect data from them.
3. Communication Skills
 - a. Students will be able to write clear and concise reports and case summaries.
 - b. Students will be able to explain basic concepts of financial theory in writing.
4. Ethical Reasoning
 - a. Students will be able to recognize ethical dilemmas that may occur in a financial management context and determine correct responses to these situations.

Attendance: You are responsible for everything that is said in class, which may include material not covered in the readings, modifications to the syllabus, and announcements concerning exams. Attendance and class participation are included in your grade.

Homework: Readings from the textbook (and possibly other sources) will be assigned for each class. You should read these before class and be prepared to respond to questions in class about the readings. There will also be questions or problems from the textbook to answer. *Homework will not be collected unless I specifically say so for a particular assignment.* We will go over problems in class as needed. If you don't understand how to do a problem, you can ask me about it by email or bring your question to class. Additional assignments for honors students (section HM1) will be announced during the semester.

Exams: There will be three exams, two midterms and a final. There will also be some shorter quizzes, which may be given in class or online using Moodle. Tests given in class are closed book.

Academic Integrity: Students are expected to observe the NJIT Academic Integrity Code. Cheating and plagiarism will not be tolerated and may result in failing the course. See the Academic Integrity Code web site for details: <http://www.njit.edu/academics/integrity.php>

Grading Policy: Final exam 30%; midterm exams 25% each; quizzes and assignments 20%. If you cannot be in class the day of an exam, you must notify me in advance. Otherwise, your grade will be zero.

Electronic Devices in Class: Other than your calculator, please do not use electronic devices in class. Turn off cell phones, MP3 players, laptops, etc. Remove all earphones. If you wish to use a device for taking notes, please talk to me about it.

Changes to this Syllabus: This syllabus may change. New versions will be announced and posted on Moodle. You are responsible for knowing what is in the latest version. If you want to use an electronic device to take notes, please let me know.

SCHEDULE OF TOPICS TO BE COVERED

Dates	Topic	Chapters (to be read before class)
9/6, 9/9 (001, HM1) 9/7 (101)	Introduction to Financial Markets and Institutions	1, 2
9/13, 9/16 (001, HM1) 9/14 (101)	Interest Rates and Valuation	3
9/20, 9/23 (001, HM1) 9/21 (101)	Interest Rate Markets	4
9/27, 9/30 (001, HM1) 9/28 (101)	Term Structure of Interest Rates	5
10/4, 10/7 (001, HM1) 10/6 (101)	Financial Institutions, Asymmetric Information, and Conflicts of Interest	7
10/11, 10/14 (001, HM1) 10/13 (101)	Midterm 1	1-5, 7
<i>Note: For the following week, there will be no class meetings. Recorded lectures will be posted online on Moodle.</i>		
[10/18, 10/21] [10/19]	Financial Crises	8
10/25, 10/28 (001, HM1) 10/26 (101)	Money and Bond Markets	11, 12
11/1, 11/4 (001, HM1) 11/2 (101)	Stock Markets	13
11/8, 11/11 (001, HM1) 11/9 (101)	Financial Institutions Management	17
11/15, 11/18 (001, HM1) 11/16 (101)	Midterm 2	8, 11-13, 17
11/23 (Wed.), 11/29 (001, HM1) 11/30 (101)	Financial Regulation	18
12/2, 12/6 (001, HM1) 12/7 (101)	Commercial and Investment Banks	19, 22
12/9, 12/13 (001, HM1) 12/14 (101)	Risk Management	23, 24
TBA (001, HM1) 12/16 (101)	Final Exam	TBA Regular time and location