

NEW JERSEY INSTITUTE OF TECHNOLOGY  
SCHOOL OF MANAGEMENT

**FIN 218 – Financial Markets and Institutions**

**Section 002**

**SYLLABUS**

*Spring 2019*

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Instructor: Dr. Xinyuan (Stacie) Tao

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Classroom: Kupfrian 205

Email: xtao@njit.edu

Class Hours: TuTh 11:30 – 12:50

Phone: 973-596-6420

Class Dates: Jan 22 – May 16

Office Hour: Mo 11:30 – 13:00 & Tu 10:00 – 11:30 or by appointment

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**Course Description**

This course provides an overview of the main features of financial markets and institutions in the United States, including interest rates and rates of return and how they are determined. It also covers securities traded on the U.S. financial markets including bonds, stocks, and derivatives and discusses how financial institutions, especially commercial banks work, along with the role of government in regulating financial markets and institutions.

**Textbook**

Mishkin and Eakins, Financial Markets and Institutions, 9th Ed., Pearson Prentice Hall. Recommended.

Textbook Web site:

[https://media.pearsoncmg.com/ph/bp/bp\\_mishkin\\_fmi\\_9/index.html](https://media.pearsoncmg.com/ph/bp/bp_mishkin_fmi_9/index.html)

## Grading Policy

Final grades will be based on the weights as follows:

<b>Task</b>	<b>Points</b>
Test 1	25
Test 2	25
Presentation	20
Homework/Quizzes	20
Attendance/Participation	10
<b>Total</b>	<b>100</b>

The scale used for grading is as follows:

<b>Grade</b>	<b>Scores</b>
A	scores $\geq 90$
B+	$85 \leq \text{scores} < 90$
B	$80 \leq \text{scores} < 85$
C+	$75 \leq \text{scores} < 80$
C	$70 \leq \text{scores} < 75$
D	$60 \leq \text{scores} < 70$
F	scores $< 60$

## Exams

There will be **TWO** exams in total. Test 1 and 2 each accounts for 25% of your final grade and there is no final exam. Exams are not cumulative.

For each exam, you can bring one-page double sided cheat sheet (8.5" x 11") and a simple or financial calculator. Cell phone, laptops, iPads, any other unauthorized electronic devices, textbooks, and class notes are **NOT** allowed during exams.

Exams most likely will be a mixture of multiple-choice questions, quantitative problems, and open-ended questions. One extra-credit question might be asked. If you get it right, your grade will be curved up but never curved down.

Make-up exams are allowed **ONLY** for serious illness or emergency. For an illness, you should let me know in advance with a doctor's note. For emergency, you will need to present relevant documentation ASAP after the exam.

## **Presentation**

More details about presentation will be discussed later.

## **Homework**

The grade of your homework will be based on **BOTH** accuracy and effort. Failure to do homework regularly will lower your course grade. Late homework will be NOT accepted.

Homework is an integral part of the course, which offers a good opportunity to review what you have learned in the class. You may discuss jointly with your peers on homework assignments. However, I strongly recommend that you try to solve the questions independently. This will help you to better understand the theories and analytical tools that will be covered on the exams.

Homework questions and solutions will be uploaded to NJIT Moodle.

## **Attendance and in-class participation**

Attendance and classroom conduct are credited. In-class participation is encouraged. Extra-credit points may be offered. You are expected to arrive at class on time and stay until the end. You may miss ONE class without any excuse.

All electronic devices (cell phones) should be turned off or on silence. Laptops are allowed for enhancing learning experience. If your actions disturb your fellow student, I reserve the right to ask you to stop using your devices.

## **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 the class through Moodle. By default, Moodle uses your NJIT email address. If you do not check that regularly, you must change the address in your Moodle profile to one that you do check. There is no excuse for not receiving information sent to the class via email.

### **Academic Integrity**

Academic misconduct will NOT be tolerated. Academic misconduct includes but is not limited to cheating on assignments or examinations, plagiarizing, and sabotaging another's work. Please refer more information to the undergraduate student handbook and academic integrity: <http://www.njit.edu/academics/integrity.php>

### **Accommodations for Students with Disabilities**

Students with special needs as outlined under the Americans with Disabilities Act should first register with the Counseling Center, 205 Campbell Hall 973 596-3414. Go to the web site <http://www.njit.edu/counseling/services/disabilities.php> for more information. If you wish to have a reasonable accommodation made for you in this class, please discuss the matter with me at the earliest possible time.

### Tentative Calendar:

Please note that this is a tentative schedule. I reserve the right to adjust if necessary and new version will be announced and posted on Moodle. You are responsible for knowing what is in the latest version.

Dates	Day	Schedule	Textbook chapter	Additional Info
1/22/2019	Tuesday	Syllabus		
1/24/2019	Thursday	Intro	1	
1/29/2019	Tuesday	Financial system	2	
1/31/2019	Thursday	Interest rate	3	<b>2/1/2019 Fri: last day to drop a class</b>
2/5/2019	Tuesday		3	
2/7/2019	Thursday	Risk, return, liquidity	4	
2/12/2019	Tuesday	Market efficiency	6	
2/14/2019	Thursday	Money markets	11	
2/19/2019	Tuesday	Bond markets	12	
2/21/2019	Thursday		12	
2/26/2019	Tuesday	Stock markets	13	
2/28/2019	Thursday		13	
3/5/2019	Tuesday	Other financial markets*	(14 - 16)	
3/7/2019	Thursday	Review		
<b>3/12/2019</b>	<b>Tuesday</b>	<b>Test 1</b>		
3/14/2019	Thursday	About presentation		
3/19/2019	Tuesday			<b>No class</b>
3/21/2019	Thursday			<b>Spring recess</b>
3/26/2019	Tuesday	Intro: financial institutions	7	
3/28/2019	Thursday	Federal reserve	9	
4/2/2019	Tuesday	Banking	17	
4/4/2019	Thursday		17	
4/9/2019	Tuesday	Financial regulation	18	
4/11/2019	Thursday	Investment banks	22	
4/16/2019	Tuesday	Other financial institutions*	(20, 21)	
4/18/2019	Thursday	Risk management	23	
4/23/2019	Tuesday	Financial derivatives*	(24)	
4/25/2019	Thursday	Review		
<b>4/30/2019</b>	<b>Tuesday</b>	<b>Test 2</b>		
5/2/2019	Thursday	Presentation		
5/7/2019	Tuesday	Presentation		