

**THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO**  
**BRYAN SCHOOL OF BUSINESS AND ECONOMICS**  
**FIN 330.02: Financial Institutions and Markets**  
**Fall 2018**

Instructor: Daniel T. Winkler  
Classroom: 132 Bryan Building (11:00 am - 12:15 pm)  
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Office Hours: 12:15 – 1:15 pm on MW; 5:00 pm – 6:15 pm on Tuesdays; by email.

**Prerequisite:** A grade of C or better in FIN 315

**Course Description:**

Principal institutions and markets comprising the financial system; their roles in short-term, long-term and equity financing, interest rate determination and capital formation. Interrelationships between domestic and international and financial markets. Government policy objectives and regulations as influences on the financial system.

**Learning Outcomes:**

After successfully completing this course the student should be able to:

1. understand the determinants of interest rates, why they change, and the risk and term structure
2. understand the essential elements of the Federal Reserve System and how monetary policy is conducted
3. understand the essential elements of financial markets including the money markets, bond markets, and the instruments traded in these markets
4. apply the principles of security valuation and to find the price and yields of financial market instruments
5. understand why financial markets are efficient
6. understand the essentials of commercial bank financial statements
7. know the important banking and market regulations
8. understand why financial crises occur and why they are so damaging to the economy

**Course Materials:**

1. **Financial Markets and Institutions (required).** Frederic S. Mishkin and Stanley G. Eakins, Pearson: New York, NY, 9th edition, 2018.
2. **Microsoft Excel (required).** Some calculations in this course will be taught using Excel. Please bring your laptop or notebook computer with you to every class.
3. **HP 10BII.** Some calculations are done more quickly with a financial calculator. If you have another financial calculator other than the HP10B II, you may use it instead.
4. **Examination Bluebooks:** Exams will be given in class and you will need four Examination Bluebooks. These are available at the Barnes and Noble Bookstore on campus and elsewhere.

**The syllabus, PowerPoint slides and Instructor's ((solution) manual are posted on Canvas. Please check Canvas regularly for new announcements and postings.**

**Grading:**

1. **Exams:** The exams will be based on homework questions/problems, lectures, and the textbook. The coverage will include all lectures, readings, questions, and problems up to the exam date. Details will be provided as the exam date approaches. Exams will be given in class and you will need an Examination Bluebook (see icon) for each exam. The exam schedule is as follows:

**Exam 1: Wednesday, September 5, 2018**

**Exam 2: Wednesday, September 26, 2018**

**Exam 3: Wednesday, October 24, 2018**

**Final Exam: Monday, December 3, 2018 (12 – 3 pm)**



There are no make-up exams. If you miss an exam due to medical reasons or another exigency, you must notify me prior the scheduled exam (if possible) and provide me with a note from a physician. I will determine whether the circumstance should be considered excused or unexcused and follow University policy. **If approved, the weight attributable to a missed exam will be allocated to the final exam which will be comprehensive. If not approved, you will receive a grade of zero.**

2. **Term Paper:** You are assigned a term paper. The subject of the term paper will involve an of an interview with an official of a financial institution as defined in the textbook. The paper must be no longer than three pages inclusive of everything. It must be in 11-point font, single spaced with 1” margins on all sides. You should have a title page with your name, the name of the course, course prefix, number and section, the professor’s name, date assignment is due, name of the interviewed official, and financial institution where the individual works. Please scan the bank official’s business card and embed it in the title page section of the paper. In the next two pages, construct the sections of the paper as follows: (A) Background of the Interviewed Official, (B) Brief Overview of the Financial Institution (explaining services offered, and it must be in your own words, not plagiarized), and (C) Main Competitors and Challenges facing the financial institution. The official you interview must be middle management level or higher possessing at least a four-year college degree. If you already work for a bank, please choose another bank for this project. Each section should be about two-thirds of a page so the paper is balanced. Please upload the paper to Canvas in MS Word file format (.doc, .docx). Your grade will be based on following the instructions for the paper (as given in the syllabus, in class, and on Canvas), the content of the paper, and its presentation (grammar, spelling, punctuation, sentence structure, etc.). **The paper is due at the beginning of class on Monday, November 19, 2018.**
3. **Attendance:** You are expected to attend and participate in class. Students that frequently miss class often do poorly on exams. Also, I often give hints about exam questions during lectures.
4. **Excel Skill Practice (Extra Credit):** Excel skills are critically important for finance majors. The Bryan School has purchased an Excel certification site license and practice software from Certiport Inc. to help Bryan School students prepare and pass the Excel Specialist and Excel Expert exams. Certification exams will be given throughout the semester, and you are encouraged to take the certification exam when you are ready. Details are available at <https://bryan.uncg.edu/students/resources/excel-certification>. If you pass either of these Excel certifications exams this semester through our site license you will receive three (3) points added to your final course average per certification. Therefore, you can receive up to six (6) points extra credit added to your final course average by successfully completing both exams.

Your grade in this class will be based on the following requirements and weights:

Exam 1	20%
Exam 2	20%
Exam 3	20%
Final Exam	25%
Term Paper	<u>15%</u>
Total	100%

The grading scale is as follows:

Letter Grade	Numerical Score	Letter Grade	Numerical Score
A	92-100	C	72-77.9
A-	90-91.9	C-	70-71.9
B+	88-89.9	D+	68-69.9
B	82-87.9	D	62-67.9
B-	80-81.9	D-	60-61.9
C+	78-79.9	F	0-59.9

#### **Administrative Matters:**

Academic Integrity: Students are required to sign the Academic Integrity Policy on all major work submitted for the course. Adherence to the Academic Integrity Policy (<http://sa.uncg.edu/handbook/academic-integrity-policy/>) is required of you on all quizzes, exams and other assignments. In addition, when taking exams or quizzes, you

may not receive any help from others (inside or outside of the class), and cannot use any materials not pre-authorized by the instructor. The use of written notes, electronic notes, unauthorized software or mechanical or electronic devices is strictly forbidden and subject to disciplinary action. Therefore, failure to abide by this policy will result in disciplinary action, and the severity of the disciplinary action is at the discretion of the instructor. Generally, the disciplinary action ranges from a zero on the quiz, exam or assignment to an F grade in the class. **All academic infractions will be reported to the Dean of Students.**

**Student Conduct:** You are expected to arrive for class on time and remain in class for its duration. Disruptive behavior detracts from the learning experience of others. Further, a student may be ejected from the classroom because of disruptive behavior. **I reserve the right to lower overall course grade of the disruptive student by at least one letter grade.** Further, a student disrupting the class may be administratively dropped from the class at my discretion. Disruptive behavior also includes texting, taking videos and photos, and talking on the phone in class. Also, please be aware that you are not permitted to audio or video in my classroom without my consent.

**Student Disabilities:** All students with a disability requesting special services must go through the Office of Disabilities Services. If a student is requesting special accommodations the student must bring paper work from Disability Services directly to me the first week of class. Please see <https://ods.uncg.edu/student-services/>.

### **Student Learning Goals – Finance Program:**

Each program within the Bryan school has separate learning goals as listed with the degree program. The Finance program has the following learning goals:

1. Finance students will be able to create forward-looking financial statements
2. Finance students will be able to demonstrate the ability to utilize various financial measures to analyze the overall financial health and operating efficiency of the firm.
3. Finance students will be able to thoroughly understand the mathematic process and application of capital budgeting
4. Finance students will thoroughly understand the concepts of the time value of money (TVM), the characteristics of traditional financial securities, and the valuation of these securities.

FIN 330 emphasizes Student Learning Goal #4 through extensive coverage (qualitative and quantitative) of interest rates, duration, and various bond and money market instruments.

## Topical Outline and Assignments\*\*\*

Chapter	Topic	End-of-Chapter Assignment	Date
1	Why Study Financial Markets and Institutions?	All Qs, P 1	8/15
2	Overview of the Financial System	All Qs	8/20,8/22
3	What Do Interest Rates Mean and What Is Their Role in Valuation?	All Qs, Ps 1,4,6,8,9,10,11,12,13,15	8/27,8/29
<b>Exam 1: Wednesday, September 5, 2018</b>			
4	Why Do Interest Rates Change?	All Qs	9/10,9/12
5	How Do Risk and Term Structure Affect Interest Rates?	All Qs, Ps 3,5,7,8 ,12,15	9/17,9/19
6	Are Financial Markets Efficient?	All Qs, Ps 1, 2	9/24
<b>Exam 2: Wednesday, September 26, 2018</b>			
7	Why Do Financial Institutions Exist?	All Qs, Ps 1,2,3,4	10/1,10/3
8	Why Do Financial Crises Occur and . . . ?	All Qs	10/10
9	Central Banks and the Federal Reserve System	All Qs	10/15,10/17,10/22
<b>Exam 3: Wednesday, October 24, 2018</b>			
10	Conduct of Monetary Policy	All Qs, Ps 1,2,3,4,5	10/29,10/31,11/5
11	The Money Markets	All Qs, Ps 1,2,3,4,5,6,9,11	11/5*,11/7
12	The Bond Market	All Qs, Ps 2,3,4,5,6,7,8,10,11,12,14	11/12,11/14
<b>Term Paper Due Monday, November 19, 2018</b>			
17	Banking and the Management of Financial Institutions	All Qs, Ps 1,2,3,4,5,6,7	11/19,11/26, 11/28
<b>Comprehensive Final Exam: Monday, December 3, 2018 (12 – 3 pm)</b>			

\*\*\* Qs = End-of-chapter questions; Ps = End-of-chapter problems. Please check Canvas for any changes.