

University of North Carolina at Greensboro
Bryan School of Business and Economics
M.B.A. Evening Program

MBA 724, Financial Institutions
Summer 2020, Session II

Instructor: **G. Jason Goddard**
Place: Distance Learning Format
Time: Slides posted on Canvas each Monday at 9 AM
Phone: (336) 926-2463
Email: GJGoddard@UNCG.edu
Office Hours: By Appointment Only
Course Textbook: Mishkin, F. S. & Eakins, S. G., *Financial Markets & Institutions*, 9th edition, Prentice Hall, 2017
ISBN-10: 0134519264, ISBN-13: 978-0134519265
Prerequisites: Admission into the Bryan MBA Program

Course Description

In the aftermath of the recent global financial crisis, the topics of financial markets and institutions are of increased importance. Whether it involves the prospect of sovereign debt defaults across the globe or the resulting changes in financial management given the problems seen in the banking industry in recent years, financial institutions must return to the basics in order to ensure the success of the multinational firm. MBA 724 is a survey course intended for those with an interest in general finance. The course will cover financial institutions, financial markets, investment funds, and financial market regulation.

Course Learning Objectives

1. Demonstrate an understanding of the role that financial institutions play in the overall economy.
2. Elaborate on the sequence of events that typically occur in a financial crisis.
3. Identify the main types of financial institutions (e.g. commercial banks, investment banks, non-bank financial institutions, insurance companies, investment companies).
4. Understand both the historical and current roles of these different types of financial institutions.
5. Understand how evolution of financial markets has made simple distinctions among types of financial institutions difficult.
6. Identify the different types of financial assets and securities (e.g. stocks, bonds, commodities, derivative securities, mutual funds, hedge funds).
7. Identify the different types of markets (primary, secondary, organized, over-the-counter), where these assets securities trade.
8. Demonstrate an understanding of why financial market regulation is necessary.
9. Describe the historical evolution of financial regulation in the United States and the rest of the world and explain why financial market regulation is ever changing.

Class Procedures

The content of this course will be conveyed in an online format via lecture slides, case studies, and review of the required textbook. Each approach in the mix is designed to develop and elaborate on the content of the course. Each week by Monday at 9 AM, the slides for the week will be posted on Canvas. Students are responsible for reading the chapters in the text as well as reviewing the slides on Canvas for each week. Students should discuss the cases and other issues which arise from the weekly readings on Canvas's discussion forum. Each week specific questions will be posted on Canvas for discussion. Students have until Sunday at 3 PM to answer the questions for a given week.

Grading

Given the amount of material covered in so short a period of time, there will be five weekly quizzes in the course. Each quiz will consist of twenty multiple-choice questions and relate to the readings for that particular week. The weekly quiz questions will be posted on Canvas by the end of the day on Monday of the week of the exam. Students will have until Sunday at 3 PM to complete the quiz. The quiz time will be limited to 1 hour.

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|-------------------------|-------------|-------------------------|
| Weekly Quizzes | 40% | 20 MC questions weekly |
| Term Paper | 40% | Due By July 29 |
| Individual Contribution | <u>20%</u> | Canvas Discussion Board |
| Total | 100% | |

Grading Scale

| | | | |
|--------|----|-------|----|
| 94-100 | A | 80-82 | B- |
| 90-93 | A- | 77-79 | C+ |
| 87-89 | B+ | 70-76 | C |
| 83-86 | B | < 70 | F |

Term Paper

Given the breadth of topic coverage in this course, there should be numerous topics of which a student would wish to gain a more thorough understanding. The purpose of the course term paper is to allow the student to explore further issues related to Financial Markets and Institutions in order to provide a timely and interesting analysis.

Possible term paper topics are shown below:

- **BASEL III:** *Are increased capital requirements the answer?*
- **Artificial Intelligence:** *Boon or Bane for the Real Estate industry*
- **Digital Finance:** *Threat or Opportunity?*
- **Can Regulation tame the speculative bubble?** *A view after the fall*
- **Globalization and the Free Flow of Funds Over Borders:** *Pros and Cons*
- Term Paper topic selected by students and approved by instructor

Papers should be limited to ten pages exclusive of any exhibits. The report/research project will rely on published material in journals and periodicals such as The Economist, Financial Times, Wall Street Journal, IMF/World Bank publications, OECD sources, and internet sources. The most effective papers will be those that best integrate the course content with specific paper recommendations. Papers will be graded based on professionalism, the logical

flow of ideas and recommendations, and the sources cited. While this is an online course, students may opt to complete the term paper either individually or in groups of up to four students. The course term paper is due by **Wednesday July 29, 2020 at 5 PM.**

Individual Contribution

Individual contribution points will be awarded based on the **quality of the content added** to the class discussions as opposed to the quantity of the content added. Questions and discussions posed by students on Canvas's discussion forum should be relevant to the material being covered in the class. A student will receive class contribution points for adding to the discussion forum via meaningful, insightful comments. What I am looking for is evidence that students are integrating the textbook material with the supplemental material covered each week.

Biographical sketch of the Instructor

G. Jason Goddard is currently Vice President at Wells Fargo, where he has been a commercial lender for over 20 years. Mr. Goddard is currently credit analysis manager for Greater Triad Business Banking and works in Winston-Salem, NC. He obtained his MBA from the Bryan School at the University of North Carolina at Greensboro. Mr. Goddard is currently adjunct professor of practice at Wake Forest University and part-time lecturer at UNC-G. He is the Associate Editor of the *Journal of Asia-Pacific Business*, where he has authored numerous articles. Mr. Goddard teaches the investment real estate course at the School of Business at Wake Forest University each spring and fall semester. Mr. Goddard also teaches the subject annually at the RMA-ECU Commercial Real Estate Lending School at East Carolina University in Greenville, NC. He has also taught undergraduate and MBA courses in international business and international finance at UNC-G, and has coordinated the America in the Global Economy lecture series at UNC-G. Mr. Goddard has led a group of UNCG MBA students on the study abroad program in Paris, France, and has taught annually in Ludwigshafen Germany at the University of Applied Sciences. Mr. Goddard has also taught Customer Relationship Management, an elective in the UNC-G MBA program, and Market Psychology, an elective in the Wake Forest MALS program. Mr. Goddard is co-author of six text books: *International Business: Theory and Practice, Second Edition* (M.E. Sharpe Publishers, September 2006), *Customer Relationship Management: a Global Perspective* (Gower Publishing, May 2008), *The Psychology of Marketing: Cross-Cultural Perspectives*, (Gower Publishing, October 2010), *Real Estate Investment: A Value Based Approach*, (Springer, July 2012), *International Business: A Course on the Essentials*, (M.E. Sharpe, October 2013), and *Global Business: Competitiveness and Sustainability*, (Routledge, November 2017). You can follow me on Twitter @GJasonGoddard.

MBA 724 Course Schedule (Summer 2020)

| Week | Date | Topic | Assigned Reading |
|---|----------------|----------------------------------|--|
| 1 | June 22-26 | Introduction & Financial Crisis | Ch. 1, 2 8 & 25 Digitalization Review JAPB |
| <p>Topics for review: <i>class syllabus, strong/weak dollar impact on consumers/businesses, methods and aims of monetary policy, asymmetric information, moral hazard, diversification benefits, stages of financial crises in developed and developing world</i></p> | | | |
| 2 | June 29-July 3 | Financial Markets | Ch. 11-14 |
| <p>Topics for review: <i>money, bond and stock market instruments, computing bond discounts and yields, Gordon Dividend Growth model, PE Approach, Goals of SEC, Security Regulation, FHA and Fannie Mae, goals of lowering moral hazard in lending</i></p> | | | |
| 3 | July 6-July 10 | Financial Institutions | Ch. 19, 21 & 22 <i>RMA Article: Give Banks Credit for Boosting International Trade</i> |
| <p>Topics for review: <i>Historical evaluation of banking industry, Glass-Steagall Act, FDIC, McFadden Act, National Banking Act of 1863, Types of insurance and benefits for each, brokers versus dealers, role of venture capital firms, stop loss order vs. limit order vs. market order</i></p> | | | |
| 4 | July 13-17 | Financial Institution Regulation | Ch. 7, 18 & 26 <i>RMA Article: A World of Herf</i> |
| <p>Topics for review: <i>Lemons problem, credit rating agency conflicts of interest, 8 basic facts of financial structure, principal-agent problem, FDIC & deposit insurance, Too Big to Fail Policy, Payoff vs. purchase & assumption, Dodd-Frank 2010, History of Thrifts, Zombie S&Ls, credit unions and taxes</i></p> | | | |
| 5 | July 20-24 | International Perspectives | Ch. 15, 16 & 20 |
| <p>Topics for review: <i>Currency appreciation & depreciation, theory of Purchasing Power Parity, Interest parity condition & returns, central bank intervention: theory and practice, currency boards vs. seigniorage, Bretton Woods agreement, Balance of Payments, Net Asset Value, Types of Mutual Funds, & conflict of interest in mutual funds</i></p> | | | |
| 6 | July 27-29 | Term Paper Due | |
| Course Term Paper is due by Wednesday July 29, 2020 at 5 PM | | | |