

Fall 2019

FIN 218-103: Financial Markets and Institutions

Wayne G. Fox

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NEW JERSEY INSTITUTE OF TECHNOLOGY
MARTIN TUCHMAN SCHOOL OF MANAGEMENT
Financial Markets & Institutions
FIN 218 Section 103
Fall 2019

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Office Hours: SOM 4th Floor Room 4027. Mon, Wed and Thur, 3:30 to 4:30pm

Class: 102: Wednesday, 6:00 - 8:50 pm, Tiernan Hall Room 105

Final Exam: Wednesday, December 18, 2018

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.

Prerequisites: Accounting ACCT 115 or 117, Economics ECON 266 or 201, Statistics MATH 105.

Required Materials: Textbook, calculator, and financial news awareness.

Textbook: Financial Markets and Institutions, Frederic S. Mishkin and Stanley G. Eakins, 9th ed, Pearson (you can use 7th or 8th Edition if you already have a textbook.)

Calculator: It is recommended that you have a financial calculator. I prefer the HP12c, or the TI BA II+. Other recommended models include the HP 10B, and any calculator that can compute financial values such as IRR, YTM, and NPV will work. Some general-purpose scientific calculators such as the TI-83 series have financial modes, although they operate somewhat differently from the dedicated financial calculators. We may also use Excel for some calculations. You can also find financial calculator apps for use on an iPhone or iPad or other phones or tablet computers. I also provide access to an on-line financial calculator website.

Financial Publications: We will spend some time in class 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, Financial Times, Business Week, Fortune, or the Economist, and be prepared to talk about important events in the financial world; read on-line and share interesting articles with the class on the Moodle News Forum. Here is the link to register for the NY Times. <https://researchguides.njit.edu/nytimes> and here is the link to the Factiva Database <https://global.factiva.com/sb/SimpleSearch.aspx?NAPC=p> Davida Scharf (atscharf@njit.edu) is the librarian who provides assistance to the students and faculty in MTSM. For DIY help, consult the Business Research Guide. <https://researchguides.njit.edu/business>

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, detailed 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 having information that I send to the class in an email.

Learning Goals and Outcomes:

1. Analytical and Problem Solving Skills
 - a. Students will display an ability to apply knowledge of fundamental financial concepts to solve simple financial / business problems
 - b. Students will be able to use quantitative methodologies as tools to help understand business and economic problems.
 - c. Students will discuss conceptual models of underlying decision systems.
2. Communication and Information Literacy Skills
 - a. Students will be able to explain basic concepts of financial theory and markets.
 - b. Students will know important sources that can be used to obtain relevant data for solving financial problems and how to collect data from them.
 - c. Students will be encouraged to utilize the Bloomberg Lab resources.
 - d. Students will be able to write clear and concise reports and case summaries.
3. Ethical Reasoning
 - a. Students will be able to recognize ethical dilemmas that may occur in a financial management context and determine reasoned responses to these situations.
 - b. Students will learn why interpersonal trust is more important than simply relying on written regulations and laws.
4. Global Context of Business
 - a. Students will show the ability to apply knowledge of international business practices and relationships to making financial decisions.
 - b. Students will understand the interconnected worldwide financial markets for money, stocks, bonds, mortgage securities, foreign currency exchanges, credit, and the institutions that operate in these markets including commercial, investment and central banking institutions, securities brokers and dealers, insurance companies, pension funds, mutual funds, and venture capital, among others.
 - c. Students will be introduced to Risk in markets, financial derivatives and risk management, and causes of financial crises, and to be able to discuss in everyday contexts.

Attendance: You are expected to arrive at class on time and stay until the end. 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.

Classroom Conduct: Classes are for learning and you are expected to pay attention. If you are engaged in other activities, you will not learn and you will make it harder for other students to learn. If you have a question, raise your hand and ask it, so that all benefit from the answer.

Electronic Devices in Class: Please do not use electronic devices in class unless the use is directly related to the work we are doing. Turn off cell phones, MP3 players, and unused laptops, etc. Remove all earphones. If you want to use an electronic device to take notes, please let me know.

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 physically, although you are encouraged to upload assignments to Moodle for point credit. 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.

Exams: There will be three exams, two midterms and a final. Tests given in class are closed book, but you *may* be allowed to bring a formula sheet. There will also be frequent shorter quizzes, which may be given in class or online using Moodle. There will be no makeups for quizzes. In computing your course grade, I may drop your lowest quiz score, so you can miss one without penalty.

Grading Policy: Final exam 30%; midterm exams 25% each; quizzes, assignments and attendance 20%. (1,000 points possible plus 50 bonus Moodle Miles) If you cannot be in class the day of an exam, you must notify me in advance. Otherwise, your attendance grade will be zero. The instructor reserves the right to modify the weighting of the grades as to be of greatest benefit of the class as a whole.

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 with a visit to the Dean of Students See the Academic Integrity Code web site for details:
<http://www.njit.edu/academics/integrity.php>

Disability: 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.

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.

Please Check Moodle for assignments.

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