

COURSE SYLLABUS*

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students are responsible for any adjustments made.*

COURSE TITLE:	Financial Markets and Institutions
COURSE & SECTION NUMBER:	FIN 5843
NUMBER OF CREDIT HOURS:	3
TERM & YEAR:	Spring 2024
TIME & PLACE:	Asynchronous, Online
FACULTY:	TBD
FACULTY E-MAIL:	TBD
OFFICE PHONE:	TBD
OFFICE LOCATION/HOURS:	TBD
HELP DESK CONTACT:	260-665-4275, Help@Trine.edu

COURSE DESCRIPTION:

This course will provide students with an in depth view of investigation and analysis of organization, structure, and performance of U.S. money and capital markets, and institutions. The course examines regulation of the financial industry and the role of financial instruments.

PREREQUISITES:

Enrollment into Trine University graduate program.

All LDR Core (5000-level) courses OR admission to non-degree graduate certificate program.

REQUIRED TEXT:

1. American Psychological Association (2010). Publication manual of the American Psychological Association (6th edition). Washington DC: American Psychological Association.
2. Financial Markets and Institutions, **Abridged** 11th Edition, Jeff Madura, CENGAGE Learning, ISBN-13: 978-1-305-25719-1, ISBN-10: 1-305-25719-7.

ADDITIONAL RESOURCES:

Additional resources are located in the respective week's Learning Module within Moodle learning platform.

MASTER OF BUSINESS ADMINISTRATION (MBA) PROGRAM OBJECTIVES:

1. Graduates will exhibit ethical, vision-oriented leader behaviors capable of creating a dynamic environment.
2. Graduates will exhibit comprehensive understanding of the cultural landscape of organizations and implications for leading and building effective communities at all levels.
3. Graduates will apply sustainable business practices and strategies that will maintain success in a global economy.
4. Graduates will employ organizational behavior strategies that provide leadership for effective change management within the context of organizational goals.
5. Graduates will utilize strategic information to design and monitor organizational communication, capabilities, and performance.

LEARNING OUTCOMES:

Upon completion of this course, the student should be able to-

1. Interpret key concepts and practices in financial industry in investments, securities, portfolio management, and management accounting.
2. Describe the dimensions of performance and risk relevant to financial firms.
3. Calculate contemporary measures of financial measures of performance and risk.
4. Explain how the financial services component industries (insurance, banking, securities, real estate, and financial planning) interact.
5. Evaluate the economic environment and the impact of governmental economic policies on consumers and financial institutions.
6. Describe the impact that financial innovation, advances in technology, and changes in regulations has had on the structure of the financial firms/industry.
7. Effectively research, analyze and interpret financial information to influence managerial decision-making.
8. Demonstrate an understanding of debt security markets including money markets, bond markets, bond valuation and risk, and mortgage markets.
9. Learn about equity markets which include stock offerings and investor monitoring.
10. Gain an understanding in regards to commercial bank operations, bank regulation, and bank management.
11. Identify nonbank operations such as mutual fund operations as well as insurance and pension fund operations.
12. Learn about functions of the Fed and monetary policy.

Course Learning Outcomes Addressing Program Objectives Matrix

Course Learning Outcomes:	Program Objective 1: Graduates will exhibit ethical, vision-oriented leader behaviors capable of creating a dynamic environment.	Program Objective 2: Graduates will exhibit comprehensive understanding of the cultural landscape of organizations and implications for leading and building effective communities at all levels.	Program Objective 3: Graduates will apply sustainable business practices and strategies that will maintain success in a global economy.	Program Objective 4: Graduates will employ organizational behavior strategies that provide leadership for effective change management within the context of organizational goals.	Program Objective 5: Graduates will utilize strategic information to design and monitor organizational communication, capabilities, and performance.
1. Students will apply academic knowledge in a professional setting		X			
2. Students will develop professionally relevant competencies and relationships in a professional setting				X	X
1. Students will observe and begin to understand a professional organizational culture 3.		X			
4. Students will evaluate one's own performance in light of one's expressed goals and learning outcomes	X	X		X	X
5. Students will compare and contrast one's self-perception to the professional perception of the site supervisor					
6. Students will critically evaluate the internship experience as an exemplar for the field					

GRADING/EVALUATION*

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Assignments	Quantity	Individual Points	Total Points	Weights
Student's Introductory Post	1	5	5	1%
Discussions (Preparation and Participation)	8	10	80	18%
WSJ Exercises	3	20	60	13%
Internet/Excel Exercise	1	20	20	4%
Managing in Financial Markets	2	40	80	18%
Problem Set (page 213)	1	25	25	6%
Problem Set (pages 546–549)	1	40	40	9%
Online Articles	2	70	140	31%
<u>TOTAL</u>			<u>450*</u>	<u>100%</u>

** Professionalism points may be added at the end of the course.*

TRINE GRADUATE GRADING SCALE

The method of grading graduate students is the letter grade system (A, B, C, F). Courses in which grades below "C" are earned cannot be used in fulfillment of degree requirements.

Grade	Percentage	Quality Points	Meaning of Grade
A	93-100	4.0	Excellent
B+	87-93	3.5	Very Good
B	81-86	3.0	Good
C+	75-80	2.5	Above Average
C	70-74	2.0	Average (lowest passing grade)
F	0-69	0	Failure
S	Satisfactory	Not figured into GPA	
U	Unsatisfactory	Not figured into GPA	
I	Incomplete	Not figured into GPA	
IP	In Progress (grade deferred)	Not figured into GPA	
W	Withdrawal	Withdrawal before completion of 80% of semester.	
WP	Withdrawal	Withdrawal after completion of 80% of semester issued only under special circumstances and with approval of the department chair/director.	

STATEMENT ON LEARNING:

Learning is a *shared responsibility*. As the instructor and as a student in this class, it is our shared responsibility to develop and maintain a positive learning environment for everyone. The instructor takes this responsibility very seriously and will inform members of the class if their behavior makes it difficult for him/her to carry out this task.

Students are asked to respect the learning needs of their classmates and assist the instructor in achieving this critical goal. It is the instructor's responsibility to present learning opportunities through the course syllabus, lectures, discussions, activities, and in-class and out-of-class assignments. It is the student's responsibility to do the learning by completing the readings, by attending class and by participating in class discussions and assignments. A variety of assignments will be used to determine how successful a student is at achieving the course learning outcomes (mastery of course content and skills) outlined in the syllabus. If a student experiences difficulty mastering the material and skills, he/she is encouraged to reflect on the strategies being used to study and prepare for each class. The instructor welcomes a dialogue on learning strategies and may be able to assist in finding resources on campus that will help improve student performance.

OTHER POLICIES (please read and link to the sites):

Online Communication Etiquette (aka netiquette):

All students are **expected** to uphold their **responsibilities** in terms of fully appropriate and true professional communication with the faculty member as well as peers.

Core Rules of Netiquette: <http://www.albion.com/netiquette/corerules.html>

Common Netiquette Practices:

<http://www.albion.com/netiquette/>

ACADEMIC MISCONDUCT:

The University prohibits all forms of academic misconduct. Academic misconduct refers to dishonesty in examinations (cheating), presenting the ideas or the writing of someone else as one's own (plagiarism) or knowingly furnishing false information to the University by forgery, alteration, or misuse of University documents, records, or identification. Academic dishonesty includes, but is not limited to, the following examples: permitting another student to plagiarize or cheat from one's own work, submitting an academic exercise (written work,

printing, design, computer program) that has been prepared totally or in part by another, acquiring improper knowledge of the contents of an exam, using unauthorized material during an exam, submitting the same paper in two different courses without knowledge and consent of professors, or submitting a forged grade change slip or computer tampering. The faculty member has the authority to grant a failing grade in cases of academic misconduct as well as referring the case to Student Life.

PLAGIARISM:

You are expected to submit your own work and to identify any portion of work that has been borrowed from others in any form. An ignorant act of plagiarism on final versions and minor projects, such as attributing or citing inadequately, will be considered a failure to master an essential course skill and will result in an **F** for that assignment. A deliberate act of plagiarism, such as having someone else do your work, or submitting someone else's work as your own (e.g., from the Internet, fraternity file, etc., including homework and in-class exercises), will at least result in an F for that assignment and could result in an F for the course.

In situations of Academic Misconduct, instructors have the authority to award a failing grade on the assignment in question or a failing grade for the course. Upon approval by the appropriate Dean, Academic Misconduct may also result in expulsion from the University.

ADDITIONAL INFORMATION:**A. Technology Tools:**

Web Access: Although this is a face-to-face course, **all students are required to complete and submit the entire course work (i.e., discussions, projects, articles, reports, papers, quizzes, and or exams) via Moodle. No exceptions.**

B. Instructor Guidelines (Expectations):

1. The instructor reserves the right to require proctoring or validation of student's academic work at the instructor's discretion.
2. The instructor reserves the right to change or modify course materials or deadline in response to student feedback or unforeseen circumstances.
3. The instructor requests that students allow 24 hours to respond to student emails or other forms of contact.
4. **The instructor will attempt to be available during weekdays;** however, as balance between family and work is important in everyone's lives, **the instructor reserves the right to be unavailable on weekends.**
5. The instructor requests that the students allow the instructor one week from the date of submission, to post a grade, or provide feedback, on any assignment. (Note: the instructor will make every effort to provide faster turnaround time; however, sometimes faster turnaround time is not possible.)
6. The instructor may be "out-of-the-office" for extended periods of time, and requests that students understand this situation may occur and allow for such inconveniences. (However, the instructor will always attempt to email and/or post an announcement to the class about any such inconveniences.)

C. Student Guidelines (Expectations):

1. Refer to the Assignment Schedule in Moodle for all due dates.

2. **Late assignments will not be accepted.**
3. Must know how to access their Moodle email account and will use this account for this course unless other arrangements have been made. Check your email periodically.
4. Keep a copy of all assignments until the end of the course. Check your Gradebook regularly for grades on assignments.
5. Review and refer to the syllabus, this Syllabus and the Course Announcements for all pertinent information.
6. Participate on a weekly basis in this course via Discussion Board (threaded discussion area) postings.
7. Log in on a regular access via internet accessible capabilities for this course.
8. Assume more responsibility for his or her learning.
9. Students are responsible to read ALL course materials, including emails, and announcements from the Instructor.
10. There is a considerable amount of reading required for this course. Students should make sure to stay on target with reading assignments.

ATTENDANCE/PARTICIPATION:

For Face-to-Face Courses: All students are expected to be in class, on time and for the entirety of the class, every night the class is in session. Once a student misses three (3) sessions of any one class they will be dropped from the course with a "W." Only in the event of rare and unusual circumstances, with formal documentation, will a student be allowed to continue.

COURSE REQUIREMENTS:

Preparation and Participation

Preparation and participation are expected and are essential to a healthy learning environment.

Reading assignments should be done prior to participating in the assignments and discussions. Discussions, reports, papers, and all other activities provide opportunities for you to apply course content to authentic situations, thus deepening the level at which you can understand and use what you are learning. Therefore, in order to succeed in this course, **you should plan to participate to the best of your ability.** The following shared expectations should guide your decisions about participation:

- As adult students, we expect you to share your experiences and knowledge with your peers in course discussions.
- As adult students, we expect active participation and commitment to your learning experience.
- As adult students, we expect you to communicate professionally with your professor about your progress in this course.
- As adult students, we know you expect prompt and qualitative feedback that will foster learning.
- As adult students, we know you expect to apply what you are learning in your personal and professional lives.

All students are expected to participate actively, showing evidence of logging into the course via Moodle at least twice each week and actively engaging.

Discussion Expectations

Post one (1) original **substantive** response to each of the weekly discussion questions AND post detailed feedback, and raise and ask applicable questions, to two (2) other students' posts **EACH WEEK**. For this class, **substantive** means that your posting has substance and helps to further the class discussion of course content. Substantive postings will often include contributions of additional ideas and sources, insights or questions about classmates' comments, connections to the course readings, ways of applying the lessons from the course, etc. Short comments, such as "Good idea" or "I agree," do not constitute substantive posts on their own. Neither do comments that are unrelated to the topics at hand (for example, "I saw that movie, too!") If you say you agree about something, please explain why you agree, and add an additional insight or question.

TIPS FOR CREATING SUBSTANTIVE POSTS/REPLIES:

- **Explain** why you agree or disagree and add examples to support your belief.
- **Relate** your own personal and or work experience to the topic at hand.
- **Raise and ask applicable questions.**
- **Make connections** between the topics at hand and the readings in the text.
- **Add ways you can apply** the lessons from the class in your work and educational life.
- As a rule of thumb, your post that you want to count toward your **substantive** feedback participation grade should be at least **75-100 words**.
- **References are required for all posts.** Relate your information to your reading even when you are giving personal examples. Include proper APA citations in the body and a reference at the bottom of each post.

Discussions

Student's Introductory Post

Post an introduction of yourself. To assist you in organizing your thoughts, consider answering the following questions:

- Who are you (introduce yourself)?
- What is your major?
- What is your financial markets knowledge and finance/business experience?
- What are the three nouns which best describe you.
- What are your highest three priorities in life?

Week-1 Discussion

Comparing Financial Institutions. Classify the types of financial institutions mentioned in this chapter as either depository or nondepository. Explain the general difference between depository and nondepository institution sources of funds. It is often stated that all types of financial institutions have begun to offer services that were previously offered only by certain types. Consequently, many financial institutions are becoming more similar. Nevertheless, performance levels still differ significantly among types of financial institutions. Why?

Impact of Exchange Rates on Interest Rates. Assume that if the U.S. dollar strengthens, it can place downward pressure on U.S. inflation. Based on this information, how might expectations of a strong dollar affect the demand for loanable funds in the United States and U.S. interest rates? Is there any reason to think that expectations of a strong dollar could also affect the supply of loanable funds? Explain.

Week-2 Discussion

Segmented Markets Theory. If the segmented markets theory causes an upward-sloping yield curve, what does this imply? If markets are not completely segmented, should we dismiss the segmented markets theory as even a partial explanation for the term structure of interest rates? Explain.

The Fed's Impact on Home Purchases. Explain how the Fed influences the monthly mortgage payments on homes. How might the Fed indirectly influence the total demand for homes by consumers?

Week-3 Discussion

Impact of Monetary Policy/Choice of Monetary Policy. How does the Fed's monetary policy affect economic conditions? When does the Fed use a stimulative monetary policy and when does it use a restrictive-monetary policy?

Impact of Credit Crisis on Liquidity. Explain why the credit crisis affected the ability of financial institutions to access short-term financing in the money markets.

Week-4 Discussion

New Guidelines for Credit Rating Agencies. Explain the new guidelines for credit rating agencies resulting from the Financial Reform Act of 2010.

Impact of War. When tensions rise or war erupts in the Middle East, bond prices in many countries tend to decline. What is the link between problems in the Middle East and bond prices? Would you expect bond prices to decline more in Japan or in the United Kingdom as a result of the crisis? (The answer is tied to how interest rates may change in those countries.) Explain and *please make sure to show respect for other countries including the U.S.A.*

Week-5 Discussion

U.S. Treasury Bailout Plan. The U.S. Treasury attempted to resolve the credit crisis by establishing a plan to buy mortgage-backed securities held by financial institutions. Explain how the plan could improve the situation for mortgage-backed securities.

Corporate Control. Describe how the interaction between buyers and sellers affects the market value of a firm, and explain how that value can subject a firm to the market for corporate control.

Week-6 Discussion

Bank Balance Sheet. Create a balance sheet for a typical bank, showing its main liabilities (sources of funds) and assets (uses of funds).

Fed Rescue of Nonbanks. Should the Fed have the power to rescue firms such as Bear Stearns that are not commercial banks?

Week-7 Discussion

Bank Loan Diversification. In what two ways should a bank diversify its loans? Why? Is international diversification of loans a viable strategy for dealing with credit risk? Defend your answer.

Money Market Funds. How do money market funds differ from other types of mutual funds in terms of how they use the money invested by shareholders? Which securities do money market funds invest in most often? How can a money market fund accommodate shareholders who wish to sell their shares when the amount of proceeds received from selling new shares is less than the amount needed?

Week-8 Discussion

Financing the Real Estate Market. How do insurance companies finance the real estate market?

Government Rescue of AIG. Why did the government rescue AIG?

Online Articles

Online Article with Real-World Examples *(part of Week 5)*

Find a recent practical article (*ensure the utilization of reputable sources*) available online that describes a real-world example regarding a specific financial institution or financial market that reinforces any **three** of the following concepts:

1. Adjustable-rate mortgage AND risk
2. Balloon-payment mortgage AND risk
3. Mortgage AND credit risk

4. Mortgage AND prepayment risk
5. Credit crisis AND mortgage
6. Credit crisis AND Fannie Mae or Freddie Mac

Write a **three**-page paper.

Written assignments (i.e., reports, articles, papers) are expected to conform to standard language conventions. Formal written assignments (other than Forum posts and journaling) **must** conform to the most recent APA (6th edition) guidelines for referencing, in text citations, appendices, and/or any means of crediting an outside source. These APA formatted assignments must be in **Microsoft Word or RTF format** and will be submitted through the appropriate link(s) located on the course week page of the assignment.

All written assignments require a correctly formatted Title Page with Page Headers, Running Heads for publication, Page numbers, an Abstract page, pages of text, and a Reference page. Examples of all of these can be found in the APA Handbook, 6th edition. **Keep in mind that part of your grade is based on your written communication skills.**

Online Article with Real-World Examples *(part of Week 8)*

Find a recent practical article (*ensure the utilization of reputable sources*) available online that describes a real-world example regarding a specific financial institution or financial market that reinforces any **three** of the following concepts:

1. The insurance company (*based on your search*) AND operations
2. The insurance company (*based on your search*) AND risk
3. The insurance company (*based on your search*) AND earnings
4. The insurance company (*based on your search*) AND management
5. Pension fund AND management
6. Pension fund AND operations

Write a **three**-page paper.

Written assignments (i.e., reports, articles, papers) are expected to conform to standard language conventions. Formal written assignments (other than Forum posts and journaling) **must** conform to the most recent APA (6th edition) guidelines for referencing, in text citations, appendices, and/or any means of crediting an outside source. These APA formatted assignments must be in **Microsoft Word or RTF format** and will be submitted through the appropriate link(s) located on the course week page of the assignment.

All written assignments require a correctly formatted Title Page with Page Headers, Running Heads for publication, Page numbers, an Abstract page, pages of text, and a Reference page. Examples of all of these can be found in the APA Handbook, 6th edition. **Keep in mind that part of your grade is based on your written communication skills.**

All assignments should be submitted via Moodle.

WRITTEN ASSIGNMENT REQUIREMENTS *(this is crucial; please read in full):*

Written assignments (i.e., reports, articles, papers) are expected to conform to standard language conventions. **Formal written assignments** (other than Forum posts and journaling) **must** conform to the most recent APA (6th edition) guidelines for referencing, in text citations, appendices, and/or any means of crediting an outside source. These APA formatted assignments must be in **Microsoft Word or RTF format** and will be submitted through the appropriate link(s) located on the course week page of the assignment.

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DUE-DATE REQUIREMENTS:

Trine University's academic philosophy is to provide each adult student with an opportunity to actively learn and demonstrate competencies needed in today's high-performance workplace. Just as in the workplace, **it is expected that you will complete ALL assignments and assessments by the due date in order to receive full credit.** The due date for all postings and assignments (with few exceptions) is **midnight EST (Indianapolis Time)**, on the date listed in the course Submission Schedule and in Moodle.

Late assignments **WILL NOT BE ACCEPTED**; please plan accordingly.

If timely submission of an assignment becomes challenging for the student due to a legitimate reason, an advance notice must be sent to the Instructor with the reason for the delay as well as documentation. The grading of these assignments will be at the Instructor's discretion.

COURSE OVERVIEW:

Week 1 – Financial Markets, Institutions, and Interest Rates: This week we will be focusing on the role of financial markets, securities traded in financial markets, role of financial institutions, credit crisis for financial institutions, loanable funds theory, factors that affect interest rates, and forecasting interest rates.

Week 2 – Structure of Interest Rates and Functions of the Fed: This week we will focus on explaining yield differentials, estimating the appropriate yield, term structure, organization of the Fed, how Feds control money supply, the Fed's intervention during credit crisis, and the global monetary policy.

Week 3 – Monetary Policy and Money Markets: This week will be focusing on mechanics of monetary policy, implementing monetary policy, tradeoff in monetary policy, impacts of the policy, global monetary policy, money market securities, institutional use of money markets, and globalization of money markets.

Week 4 – Bond Markets and Bond Valuation and Risk: This week we will be learning about different types of bonds, globalization of bond markets, long-term debt securities, the bond valuation process, bond price movements, sensitivities of bond prices to interest rate movements, investment strategies used by investors, and valuation and risk of international bond.

Week 5 – Mortgage and Stock Offerings and Investments Monitoring: This week we will be discussing types of residential mortgages, valuation and risk of mortgages, credit crisis, private equity, initial public offerings, stock offerings and repurchases, stock exchanges, monitoring publicly traded companies, market for corporate control, and globalization of stock markets.

Week 6 – Commercial Bank Operations and Bank Regulation: This week we will be discussing bank sources of funds, use of funds by banks, off-balance sheet activities, international banking, regulatory structure, regulation of capital, how regulators monitor banks, government rescue of failing banks, financial reform act of 2010, and global bank regulations.

Week 7 – Bank Management and Mutual Fund Operations: This week we will discuss bank goals, and governance, management liquidity, managing interest rate risk, managing credit risk, managing market risk, integrated bank management, managing risk of international operations, mutual funds categories, performance, money market funds, and other types of funds.

Week 8 – Insurance and Pension Fund Operations: This week we will discuss life insurance operations, other types of insurance operations, exposure to risk, valuation of an insurance company, and pension funds.

COURSE CALENDAR/SCHEDULE*

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students are responsible for any adjustments made.*

Weeks	Readings	Activities	Assignments	Due Dates
1	Chapters 1 & 2	Review Week 1 Learning Module Content Review Chapters 1 & 2 Power Points	Student's Introductory Post <i>In-depth</i> Discussions and Replies	TBD
2	Chapters 3 & 4	Review Week 2 Learning Module Content Review Chapters 3 & 4 Power Points	<i>In-depth</i> Discussions and Replies WSJ Exercise b. (page 75) Internet/Excel Exercise (page 101)	TBD
3	Chapters 5 & 6	Review Week 3 Learning Module Content Review Chapters 5 & 6 Power Points	<i>In-depth</i> Discussions and Replies Managing in Financial Markets- Forecasting Monetary Policy (page 128) [provide an in-depth explanation]	TBD
4	Chapters 7 & 8	Review Week 4 Learning Module Content Review Chapters 7 & 8 Power Points	<i>In-depth</i> Discussions and Replies WSJ Exercise (page 186) Problem 1: Bond Valuation (page 213)	TBD

Syllabus

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5	Chapters 9 & 10	Review Week 5 Learning Module Content Review Chapters 9 & 10 Power Points	<i>In-depth</i> Discussions and Replies Online Article with Real-World Examples <i>(see syllabus for more details)</i>	TBD
6	Chapters 17 & 18	Review Week 6 Learning Module Content Review Chapters 17 & 18 Power Points	<i>In-depth</i> Discussions and Replies Managing in Financial Markets- Managing Sources and Users of Funds (page 494) [provide an in-depth explanation]	TBD

7	Chapters 19 & 23	Review Week 7 Learning Module Content Review Chapters 19 & 23 Power Points	<i>In-depth</i> Discussions and Replies Problem 4 (a, b, and c): Managing Risks (pages 546–549) WSJ Exercise (page 640)	TBD
8	Chapter 25	Review Week 8 Learning Module Content Review Chapter 25 Power Point	<i>In-depth</i> Discussions and Replies Online Article with Real-World Examples (<i>see syllabus for more details</i>)	TBD

End of Syllabus