

## FIN 3270: Financial Markets and Institutions Fall 2022

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**Office Hours:** MW – 3:00 – 4:00 p.m. and by appointment – Email me at [mcelfrel@ohio.edu](mailto:mcelfrel@ohio.edu) if you have any questions. If you would like to meet virtually, via Microsoft Teams, we can schedule a meeting.

### Course Objectives:

- To understand why financial markets and institutions are integral to society today.
- To study how mortgages, bonds, stocks, and derivatives are valued and traded.
- To learn about banks and other financial institutions so you can be a savvy investor.

### Required Course Materials:

- Textbook: Ebook *Financial Markets and Institutions* by Saunders, Cornett, and Erhemjamts. Eighth Edition, McGraw-Hill Publishing. [ISBN: 1264098693] You will be automatically charged for this digital version of the textbook. Access will be provided to all registered students on the first day of the semester. The University has negotiated a special price (\$69.52) for this course's required textbooks and materials. You will receive access to digital copies of the materials on Monday, August 22<sup>nd</sup>. The cost of the materials will be billed automatically to your student account. You need this access to McGraw-Hill's Connect online textbook platform to complete online homework and exams.
- Financial Calculator: Texas Instruments BAII Plus (Feel free to use any financial calculator but realize that class demonstrations will be on the TI BA II Plus only.)
- Recommended: Student subscription to Wall Street Journal (Digital Access is \$4 per month)

**Attendance Policy:** You are expected to be in class for our meetings unless it is an exam day, you are ill, or you have another documented excuse. While the slides for each chapter of the textbook that we cover in class are available in your Unit Coursepacks and posted on Blackboard, these slides are only an outline and will be supplemented with further notes and examples in class. Attendance will be taken each class session. Class participation contributes four percent to your final grade.

**Grading:** Sixty-eight percent of your grade in this course is based on four online exams. The exams will be completed through McGraw-Hill Connect, an online course platform available with your textbook. The exams are based on slides, lectures, and the textbook. Although the exams are not comprehensive, the material builds itself, so it is important to learn the material for each exam. All students will take all exams. Each exam will count for seventeen percent towards your course grade. Online exams will be open for 24 hours. Missing an exam requires a formal excuse. If a student is unable to take an exam at the scheduled time, he/she should contact me prior to the exam and specify why the exam is going to be missed. Failure of notification may result in a score of zero for a missed exam. I am willing to review *valid, documented* excuses in accordance with University Policy.

Twelve percent of your grade will come from four homework assignments in Connect. Each homework will count towards three percent of your course grade. You will have two attempts at each homework, with the second attempt being correcting any missed problems from your first submission.

As part of this course, you will write a 1,000-1,500 word report about technology/innovation in finance. Report instructions and due date will be posted on Blackboard later. Your report will have a

minimum of three citations of Wall Street Journal articles. I recommend purchasing the Wall Street Journal Student Subscription to make it easier to find articles, although the Wall Street Journal is available for free through the Ohio University Library. This report will count towards five percent of your course grade.

Four percent of your grade will come from earning a passing score on the Security Industry Essentials (SIE) practice test. Many entry-level financial professionals in investments or financial planning are required to take the SIE exam soon after starting with the firm. This practice test is available at:

<https://www.finra.org/registration-exams-ce/qualification-exams/securities-industry-essentials-exam/practice-test>

The exam is 75 questions long. Once you earn a passing score on the practice test, submit a screenshot showing your name and passing score on Blackboard. There is a folder on Blackboard for this submission. This practice test is open book/open note and you can use the Internet. You can take the practice test as many times as you'd like, but please submit only one screenshot. You need at least 53 out of 75 questions correct (a passing score) to fulfill the requirement. The SIE practice test is due by Friday, December 2<sup>nd</sup> at 11:59 p.m.

Five percent of your grade will come from completing the Bloomberg Market Concepts (BMC) certification. BMC is an 8-hour self-paced e-learning course which consists of four modules – Economic Indicators, Fixed Income, Currencies, and Equities. The completion of these four modules is due by Friday, November 4<sup>th</sup> at 11:59 p.m. The BMC is available at:

<https://www.bloomberg.com/professional/product/bloomberg-market-concepts/>

You will need to register for BMC using your university email. When you have completed the certification, submit a screen shot of your name and certification of completion on Blackboard. There is a folder on Blackboard for this submission.

Two percent of your grade will come from attending one panel session of the Finance Speaker Series on Friday, October 21<sup>st</sup>. Panel sessions are at 9:40 a.m., 10:45 a.m., and 11:50 a.m. Attendance will be taken at each panel session. If you are unable to attend, you can make up those points by completing an alternative assignment that I will assign.

Your final course grade will be weighted as follows:

Exam 1	17%
Exam 2	17%
Exam 3	17%
Exam 4	17%
Class Participation	4%
Homework 1	3%
Homework 2	3%
Homework 3	3%
Homework 4	3%
Finance Speaker Series	2%
Report	5%
BMC	5%
SIE Practice Test	4%
	100%

**Grades will be based on the following scale:**

A $\geq$ 92.5%	B = 82.5 – 86.9%	C = 72.5 – 76.9%	D = 62.5 – 66.9%
A- = 90 – 92.49%	B- = 80 – 82.49%	C- = 70 – 72.49%	D- = 60 – 62.49%
B+ = 87 – 89.9%	C+ = 77 – 79.9%	D+ = 67 – 69.9%	F $\leq$ 59.9%

**Help with the Course:** The easiest way to get in touch with me is via e-mail, through my cell phone, or during my office hours. If you feel that you are struggling or need additional guidance, please reach out to me as soon as possible so we can devise a plan for your success.

**Cell Phones:** If you bring cell phones into class, please set them to silent or vibrate.

**Academic Honor Code:** Cheating on exams, submitting the work of other students as your own, or plagiarism in any form will not be tolerated. The penalty for committing these acts may range from failing this course to expulsion from the University.

**Student Accessibility Services:** Any student who feels he or she may need an accommodation based on the impact of a disability should contact me to discuss your specific needs and to provide me with written documentation from Student Accessibility Services. If you are not yet registered as a student with a disability, please contact Student Accessibility Services at 740-593-2620 or visit the office in 348 Baker University Center. The College of Business and its faculty are committed to helping meet your individual needs and to supporting your efforts for a quality education.

**Classroom COVID-19 policies:** If you do test positive or need to isolate or quarantine this semester, after you have taken care of yourself and followed all the steps in the [OHIO COVID-19 Protocol](#), please email me so that we can develop a plan for you to receive the necessary course content. COVID-related illness, quarantine, isolation, and remain-in-room directives are legitimate university absences, and I will work with you to manage your academic requirements and connect you to resources. If you feel that your class performance is being impacted by COVID-19, please talk with me and/or contact Public Health Operations by email ([PHO@ohio.edu](mailto:PHO@ohio.edu)). The University has information about [resources available to help with quarantine and isolation here](#).

## **Tentative Course Roadmap**

### **Unit 1: Essential Financial Questions**

- Section 1: Why Finance?
- Section 2: What are Financial Markets and Institutions Today?
- Section 3: What is the Fed?
- Section 4: How Does the Stock Market Work?
- Section 5: How Does a Mortgage Work?

#### **Connect Homework 1**

#### **Connect Exam 1**

### **Unit 2: Bond Valuation and Interest Rates**

- Section 1: Bond Valuation
- Section 2: Interest Rates and Term Structure
- Section 3: Bond Markets I
- Section 4: Bond Market II
- Section 5: Bond Investing

#### **Connect Homework 2**

#### **Connect Exam 2**

#### **Report**

### **Unit 3: Derivatives and Foreign Exchange**

- Section 1: Forwards and Futures
- Section 3: Foreign Exchange
- Section 4: Options

#### **Connect Homework 3**

#### **Connect Exam 3**

#### **Bloomberg Market Concepts (BMC)**

### **Unit 4: Financial Funds and Institutions**

- Section 1: Banks I
- Section 2: Banks II
- Section 3: Mutual Funds, ETFs, and Hedge Funds
- Section 4: Basics of Pension Plans and Insurance

#### **Connect Homework 4**

**Connect Exam 4 (Final Exam) – Exam date (administered during finals week) will be announced in class and on Blackboard.**

#### **SIE Practice Test**

**The Instructor reserves the right to make changes to this syllabus and outline. Any changes will be announced in class and through Blackboard.**

*The lectures, classroom activities, and all materials associated with this class and developed by the instructor are copyrighted in the name of Luke McElfresh on this date 8-15-2022.*