COURSE SYLLABUS
FINAN 420 - Financial Institutions and Markets
Sec. 001 – T/Th 10:30 - 11:45 AM, MBEB 2010
Sec. 002 – T/Th 1:30 - 2:45 PM, MBEB 2010

Instructor: Eddy Yongjia Li
Office: MBEB 2208
Email: eddyl@boisestate.edu
Office hours: T/Th 3:00-4:30 PM or by appointment

Course Description
This course is designed to help you understand the role that financial institutions and markets play in the business environment that you will face in the future. It also helps you to develop a series of applications of principles from finance and economics that explore the connection between financial markets, financial institutions and the economy.

On the financial markets side, students will learn the term structure of interest rates, fixed income and equity markets, principals of derivatives, and current and emerging trends in financial markets. On the institutions side, students will learn financial intermediation, commercial banks, investment banks, insurance companies, mutual funds, hedge funds, management of financial risk, the Federal Reserve systems and their role of in the economy.

Recommended Textbook
(11th edition is acceptable)

Lecture slides, study guides, and homework/quizzes are found on Blackboard. Please check Blackboard frequently for updates.

COBE Core Curriculum - Student Learning Goals and Objectives
Students in this class will learn or practice the COBE Core Curriculum concepts, methods, and skills detailed below.

- Understand and apply analytical and discipline concepts and methods related to:
  - Accounting
  - Business Policy and Strategy
  - Economics
  - Finance
  - Information Technology Management
  - International Environment of Business
  - Legal Environment of Business
  - Mathematics and Statistics
- Communicate effectively: Write messages and documents that are clear, concise, and compelling
- Solve problems, including unstructured problems, related to business and economics
- Use effective teamwork and collaboration skills
- Resolve ethical issues related to business and economics
Exams
There are two midterm exams (non-comprehensive) and a final exam (comprehensive) in this course. The midterm exams are not comprehensive per se, in that I will not directly ask you questions on exam 2 pertaining to material that we covered for exam 1, but the course does build upon itself. Students will have the option to replace their lowest midterm exam grade with the grade they receive on their final exam (assuming that it is higher). As such, make-up exams will only be offered for university related absences.

The final exam will be comprehensive and mandatory. EARLY FINAL EXAMS WILL NOT BE GIVEN. Make your travel plans accordingly.

Homework Assignments
Homework assignments will be announced in class and made available on Blackboard. There will be approximately one homework assignment per chapter. I will drop your lowest homework assignment and calculate the average score of the remaining ones, which will be your homework grade towards the course grade. Homework assignments are to be completed individually and submitted through Blackboard. LATE HOMEWORK SUBMISSION WILL NOT BE ACCEPTED.

Homework is an essential part of the learning process. You simply cannot learn finance by reading and coming to class. You need to work actively with the material and practice with the problems.

In-Class Quizzes
There will be 8~10 in-class quizzes throughout the semester. I will drop your lowest quiz and calculate the average score of the remaining ones, which will be your quiz grade towards the course grade. There will be no make-ups for missed quizzes.

Attendance
Regular attendance is a prerequisite for success. Some material covered in class will not be in the book. Learning is highly correlated with attendance and your grade for the course will depend on it. Class begins promptly at the scheduled time, and you’re expected to be in the room and ready to go at that point. As a matter of professional courtesy, please police yourself with cell phone, food, and drinks. You may use a laptop or tablet assuming you’re using it for class work.

Grading Policies
Your final overall course grade will be calculated as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework Assignments</td>
<td>20%</td>
</tr>
<tr>
<td>In-Class Quizzes</td>
<td>10%</td>
</tr>
<tr>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
</tr>
</tbody>
</table>

Standard university grading scales apply, i.e.,

- A >= 90%
- B 80% - 90%
- C 70% - 80%
- D 60% - 70%
- F < 60%

We will use the +/- grading system for the class, i.e.,

- A+:(100% - 97%), A:(97% - 93%), A-:(93% - 90%),
- B+:(90% - 87%), B:(87% - 83%), B-:(83% - 80%), etc.
Request for Accommodations
Per the EAC: Students needing accommodations to fully participate in this class should contact the Educational Access Center (EAC). All accommodations MUST be approved through the EAC. Please stop by our offices located inside the Lincoln Garage, right across from the Student Union Building or call 208-426-1583 to make an appointment with an access coordinator. To learn more about the accommodation process, visit our website at http://eac.boisestate.edu

Academic Integrity
In order to create a safe space for learning, I expect each of us to exhibit behavior that reflects Boise State’s Statement of Shared Values (http://deanofstudents.boisestate.edu/statement-of-shared-values/) and is characterized by Academic Excellence Caring Citizenship Fairness Respect Responsibility Trustworthiness In addition, students in this course are expected to uphold standards outlined in the Boise State University Student Code of Conduct (http://deanofstudents.boisestate.edu/student-code-of-conduct/). In particular, cheating (e.g., using or providing unauthorized assistance, among other behaviors) is expressly forbidden in Article 4 of the code.

Final Thoughts
- Check the system frequently for updates. “I didn’t see the blackboard announcement,” is not a valid excuse for missing important course information.
- This course will require constant effort for most students. Keep up by reading and attempting the assignments from the very beginning. If you have difficulty with the assignments bring them up in class and we will discuss them.
- Attend class and be on time to class. Class sessions are an opportunity to have the material explained more formally, raise questions, work problems, etc. You will get more out of the course and do better grade-wise.
- Read the material. Gaining an in-depth understanding of finance concepts can be difficult at times. If you can manage it, read the material before lecture, attend lecture, and then re-read the material afterwards. This is where the light bulb goes on and you will better understand the concepts of the course.
- Get involved. Asking questions in class will not only facilitate your own understanding it will also help your fellow student’s. In a class of 40+ students any question you might have is also likely a question shared by at least one other. Your questions during the lecture and during office hours are highly encouraged.

Disclaimer
The professor reserves the right to make necessary changes to the syllabus throughout the semester.
## Preliminary Course Outline

This schedule is tentative and will be adjusted to achieve the most efficient class pace for the material.

<table>
<thead>
<tr>
<th>Topics</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction, Context, and Framework</strong></td>
<td></td>
</tr>
<tr>
<td>An Overview of Financial Markets and Institutions</td>
<td>Chapter 1</td>
</tr>
<tr>
<td><strong>The Financial Environment</strong></td>
<td></td>
</tr>
<tr>
<td>The Role of the Central Bank: The Federal Reserve System</td>
<td>Chapter 2, 3</td>
</tr>
<tr>
<td>Interest Rate: Bond Prices and Interest Rate Risk</td>
<td>Chapter 5</td>
</tr>
<tr>
<td><strong>Exam 1 - Thursday, Sept 28, 2017</strong></td>
<td>Chapter 1, 2, 3, 5</td>
</tr>
<tr>
<td><strong>Financial Markets and Financial Institution Participants</strong></td>
<td></td>
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<tr>
<td>Money Markets</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>Fixed-Income Markets</td>
<td>Chapter 8</td>
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<tr>
<td>Equity Markets</td>
<td>Chapter 10</td>
</tr>
<tr>
<td>Commercial Bank Operations</td>
<td>Chapter 13</td>
</tr>
<tr>
<td><strong>Exam 2 - Tuesday, Nov 14, 2017</strong></td>
<td>Chapter 7, 8, 10, 13</td>
</tr>
<tr>
<td>Investment Banking</td>
<td>Chapter 18</td>
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<tr>
<td>Investment Companies: Mutual Funds, ETFs, and Hedge Funds</td>
<td>Chapter 19</td>
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<tr>
<td>Risk Management in Financial Institutions</td>
<td>Chapter 20</td>
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<tr>
<td><strong>Final Exam -</strong></td>
<td>All Covered</td>
</tr>
<tr>
<td>Sec. 001: Thursday, Dec 14, 10:00 a.m.–12:00 p.m.</td>
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<tr>
<td>Sec. 002: Thursday, Dec 14, 12:30 p.m.–2:30 p.m.</td>
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### Holiday/Break Schedule

- Oct 10, 12 - FMA Conference - No Class
- Nov 21, 23 - Thanksgiving Break - No Class