SYLLABUS
FIN 3403 – Financial Intermediaries & Markets
An Online Course

PURPOSE OF THE COURSE:
This course introduces statistics with the purpose of providing tools for interpreting and conducting social science research. Topics include;
- types of Financial markets;
- overview of the financial system including function and structure of financial markets, functions and types of financial intermediaries and regulation of the financial system;
- interest rates, why they change.;
- types of loans;
- types of bonds;
- risk and terms structures and how they affect interest rates.;
- the foreign exchange market and exchange rates;
- the bond market, including the capital market, types of bonds, current yield calculation and common terminology associated with the bond market ;
- The stock market including computing the price of common stock, how the market sets security prices, stock market indices and regulation of the stock market;
- Hedging;
- Forward Markets, Financial Futures Markets, Stock Index Futures;
- Interest Rate Swaps and Options;
- Bank balance sheets, Basics of Banking;
- General Principles of Bank Management including liquidity, asset, liability and capital adequacy management;
- Financial regulation including the FDIC Improvement Act of 1991, Banking Crises Throughout the world, the Dodd Frank Bill and future regulation.

COURSE DESCRIPTION:
Investigates the determination of the level of domestic rates of interest and their implications for international currency markets. Describes the important financial institutions in U.S. financial markets. Details the structure of interest rates. Analyzes the behavior of fixed income prices. Discusses techniques of domestic and international institutions to immunize portfolios.

REQUIRED TEXT & MATERIALS:

A calculator. A financial calculator is required during lectures and exams. I will be using a TI BAII Plus in lecture and highly recommend this calculator for students. Other calculators may not perform required functions. If you acquire a model other than the TI BAII Plus, you will be responsible for learning how to use it on your own. Programmable calculators (e.g., TI-82, TI-83, etc.) may not be used for any exams.

Course materials are delivered through Canvas, the university’s course management system, accessible at http://canvas.ou.edu. In order to access these resources, you will need a high-speed computer equipped with high-speed internet access, a video card, sound card and speakers, and a media player (e.g., RealPlayer, Windows Media Player, and/or Quicktime).
PREREQUISITE:
ECON 1113 and ECON 1123.

COURSE PACKET
A course packet, complete with lecture notes, practice questions, news articles, etc. is the primary reference for this course. The packet is available for purchase at King Kopy (119 W. Boyd St #112, Norman, OK), and a digital copy has been posted to Canvas under the “Content” tab. The video lectures are intended to walk you through this course packet and, in particular, enable you to “fill-in-the-blanks” where they exist throughout the course packet content. The use of a three-ring binder is highly recommended.

HOMEWORK ASSIGNMENTS
Homework assignments have been posted to Canvas under the “Content” tab. Your responses are to be submitted via the Canvas “Dropbox” under the corresponding folder. Homework assignments must be submitted by 11:59PM CT on due dates. Assignment due dates are listed in the Course Schedule.

It is to your benefit to attempt to complete all homework assignments on your own.

DISCUSSION QUESTIONS
Several discussion questions have been posted to Canvas under the “Discussions” tab. These questions are designed to encourage you to begin thinking critically about finance. Your responses are to be submitted on the respective discussion boards by 11:59PM CT on due dates. Discussion question due dates are listed in the Course Schedule.

ONLINE COURSE CONDUCT
Interaction between the instructor and student and among students is an integral part of the learning process. As such, your participation in online classroom discussions is very important. Students are expected to conduct themselves in a courteous, respectful manner. Responses should be constructive in nature. Personal attacks will not be tolerated.

EXAMS
There will be three hourly exams and one final exam. Exams will consist of multiple choice, true-false and/or matching questions. Each hourly exam is worth 100 points and contains 50 questions. The final exam is worth 150 points and contains 60 questions. Exams will cover the following material:

Exam I: Chapters 1-3
Exam II: Chapters 4, 5, and 15
Exam III: Chapters 12, 13, and 24
Final Exam: Chapters 1-5, 8, 12, 13, 15, 17, 18, and 24

The final exam is worth 150 points – approximately 60% of points from chapters 1-5, 12, 13, 15, and 24, and approximately 40% of points from chapters 8, 17, and 18 as well as any other material covered after Exam III.
You will have 80 minutes to complete hourly exams and 120 minutes to complete the final exam. All of the exams in this course are proctored online exams, so you must schedule the administration of each exam with the Center for Independent and Distance Learning (CIDL). The use of the textbook or any source other than your financial calculator during the exams is strictly forbidden.

Exams must be taken during the scheduled exam windows. No late exams will be given. If a student misses an exam for official university-approved activities or for personal reasons (sickness, family emergency, etc.), then the percentage score of the final exam will be applied to the missed exam. Approval for missing an exam must be obtained before the exam period.

ABOUT THE GRADING:

<table>
<thead>
<tr>
<th>Points Possible</th>
<th>Your final grade will be determined based on the total points earned, as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework</td>
<td>85</td>
</tr>
<tr>
<td>Discussion Questions</td>
<td>15</td>
</tr>
<tr>
<td>Exam I</td>
<td>100</td>
</tr>
<tr>
<td>Exam II</td>
<td>100</td>
</tr>
<tr>
<td>Exam III</td>
<td>100</td>
</tr>
<tr>
<td>Final Exam</td>
<td>150</td>
</tr>
<tr>
<td>Total Points</td>
<td>550</td>
</tr>
</tbody>
</table>

BORDERLINE GRADES
Consideration, if any, for “borderline” grades will be given to those students who have thoroughly completed virtually all assignments and who performed well on the final exam. Trends in grades, an “outlier” in exam scores, and other admittedly subjective measures may be used in consideration of borderline grades. Such consideration, if any, is purely at the instructor’s discretion, and will be given prior to posting of final course grades; no borderline grade consideration will be given after the final grades have been posted.

GRADE DISPUTES
If you believe that an exam or assignment was incorrectly graded, you must declare this within one week of its grade being posted on Canvas. You then may be asked to make a written request for reconsideration of the grade.

PROBLEMS OR QUESTIONS: If you have course content related questions, please email your instructor. If something isn’t working right in Canvas, email cidldev@ou.edu with a description of the problem and the course you are in.

ACADEMIC INTEGRITY
As a student taking a course at the University of Oklahoma you are expected to uphold the academic integrity code. Please visit http://integrity.ou.edu and familiarize yourself with the standards you will be held to while taking your course.
RELIGIOUS OBSERVANCE
It is the policy of the university to excuse the absences of students that result from religious observances and to reschedule examinations and additional required classwork that may fall on religious holidays, without penalty.

REASONABLE ACCOMMODATION POLICY
Students requiring academic accommodation should contact the disability resource center for assistance at (405) 325-3852 or tdd: (405) 325-4173. For more information please see the disability resource center website http://www.ou.edu/drc/home.html any student in this course who has a disability that may prevent him or her from fully demonstrating his or her abilities should contact me personally as soon as possible so we can discuss accommodations necessary to ensure full participation and facilitate your educational opportunities.

TITLE IX RESOURCES AND REPORTING REQUIREMENT
For any concerns regarding gender-based discrimination, sexual harassment, sexual misconduct, stalking, or intimate partner violence, the university offers a variety of resources, including advocates on call 24/7. To learn more or to report an incident, please contact the sexual misconduct office at 405-325-2215 (8 to 5, m-f) or ou advocates at 405-615-0013 (24/7). Also, please be advised that a professor/ga/ta is required to report instances of sexual harassment, sexual assault, or discrimination to the sexual misconduct office. For more information, please see http://www.ou.edu/eoo.
Course Plan FIN 3403

Unit 1
Chapter 1
1. View “How to Succeed in FIN 3403” Presentation.
2. View “Unit 1 Preview” Presentation
3. Read Chapter 1 in the Eakins text.
4. View Ch.1 Notes presentation in Canvas.

Chapter 2
1. Read Chapter 2 in the Eakins text.
2. View Ch.2 Notes presentation in Canvas.
3. Complete Homework for Practice (Chs. 1&2).

Chapter 3
1. Read Chapter 3 in the Eakins text.
2. View Ch.3 Notes Part 1 presentation in Canvas.
3. Complete Discussion Question #1
4. Submit Homework #1 Ch. 3.
5. View Ch. 3 Notes Part 2 presentation in Canvas.
6. Ch. 3: Importance of Duration, Part 1 presentation in Canvas.
7. Ch. 3: Importance of Duration, Part 2 presentation in Canvas.
8. Look over Exam 1 Reference sheet
9. Review “How to Prepare for Exam I”.
10. Schedule Exam I
11. Take Exam I

Unit 2
Chapter 4
1. View “Unit 2 Preview” Presentation
2. Read Chapter 4 in the Eakins text.
3. View Ch.4 Notes presentation in Canvas.
4. View Ch. 4 Appendix: The Loanable Funds Framework
5. Complete Ch. 4 Practice.

Chapter 5
1. Read Chapter 5 in the Eakins text.
3. Watch Video: CNBC on the June 2012 extension of Operation Twist 2
4. View Ch.5 Notes Part 1 presentation in Canvas.
5. Submit Homework #2 Ch. 4.
6. View Ch. 5 Notes, Part 2 presentation in Canvas
7. Complete Ch. 5 Practice
8. View Ch. 5: Deriving a Forward Interest Rate
Chapter 15

1. Read Chapter 15 in the Eakins text.
2. View Ch.15 Notes Part 1 presentation in Canvas.
3. Complete Discussion Question #2
4. Submit Homework #3 Ch. 5.
5. View Ch.15 Notes Part 2 presentation in Canvas.
6. Ch. 15: The Big Mac Index
7. Watch Video: The Big Mac Index
8. Review “How to Prepare for Exam II”
9. Submit Homework #4 Ch. 15.
10. Schedule Exam II.
11. Take Exam II.

Unit 3
Chapter 12

1. View “Unit 3 Preview” Presentation
2. Read Chapter 12 in the Eakins text.
3. View Ch.12 Notes presentation in Canvas.
4. View Ch. 12: “Snippets from the News”
5. Watch Video: “Paul Solman on Credit Default Swaps”.
6. View Ch. 12: Semi-annual Bond Calculations presentation in Desire2 Learn.
7. Submit Homework #5 (Ch.12)

Chapter 13

1. Read Chapter 13 in the Eakins text.
2. View Ch.13 Notes presentation in Canvas.
3. Watch Video: Apple Declares a Dividend
4. View Ch.13 Initial Public Offerings presentation in Canvas.
5. Submit Homework #2 Ch. 4.
6. Watch Video: Jim Cramer on IPOs
7. View Chs. 12 and 13 Practice
8. Ch. 13: The Efficient Markets Hypothesis
9. Complete Discussion #3: IPOs
10. Submit Homework #6 (Ch.13)
Chapter 24

1. Read Ch. 24 (pp. 590-601, 606-607, 613-616 only)* in the Eakins text.
2. View Ch.24 Notes presentation in Canvas.
3. View Ch. 24 Appendix: Forwards and Futures presentation in Canvas
4. View Ch. 24 Practice: Forwards, Futures, and Swaps presentation in Canvas
5. View Ch. 24 Practice: Forwards, Futures, and Swaps – Regarding Qn. 5. presentation in Canvas
6. Submit Homework #6 (Ch.24)
7. View Ch. 24 Options presentation in Canvas
8. View How to prepare for Exam III
9. Review Exam III Reference Sheet
11. Schedule Exam III.
12. Take Exam III.

*I will teach options in the context of buying or selling a share of stock, rather than as options on a futures contract as your book does. For Ch. 24 in particular, I intend for the notes, practice sets, and homework questions to be sufficient for exam purposes, but the reading should help your understanding.

Unit 4

Chapter 17

1. View “How to Prepare for the Final Exam” Presentation
2. Read Chapter 17 in the Eakins text.
3. View Ch.17 Notes presentation in Canvas.
4. View Ch. 17: Practice presentation in Desire 2 Learn.
5. View Ch. 17: Practice – Regarding Qn. 4 presentation in Desire 2 Learn
6. Submit Homework #8 (Ch.17)
7. View Ch. 17: “Snippets from the News” presentation in Canvas.

Chapter 18

1. Read Chapter 18 in the Eakins text.
2. View Ch.18 Notes presentation in Canvas.
3. View Ch.18 “Snippets from the News” presentation in Desire2Learn.
4. View Chs. 24, 17/18 Value at Risk (VaR) presentation in Canvas.
5. Submit Homework #9 Ch. 18.
6. Complete Discussion Question #4: The Banking Industry

Chapter 24

1. Read Ch. 8 in the Eakins text.
2. View Ch.8 Notes presentation in Canvas.
4. View Ch. 8 “Snippets from the News” presentation in Canvas.
5. Complete Discussion Question #5: The Banking Industry
6. View How to prepare for the Final Exam (also assigned at the beginning of Unit 4)
7. Review Exam Final Exam Review Guides (Comprehensive and Non-Comprehensive)
8. Schedule Final Exam.
9. Take Final Exam.