FINC 337 – Banking, Money & Capital Markets  
Fall 2017

Instructor: William Bergman  
Email: wbergman@luc.edu  
Office Hours: F 1:30-2:30 and by appointment

Course Description:

- This course introduces students to banking and other forms of financial intermediation, and to the Federal Reserve and monetary policy.

- Prerequisites include junior standing and a minimum grade of "C-" in FINC 332.

Course Overview:

- This course will provide students with an understanding of the principles of money, banking, and capital markets. The course explores the history and legal foundations for what we call “money,” how and why banks develop and grow (and sometimes collapse), the fundamentals of interest rates and bond price determination, why and how financial institutions are regulated by the government, and who the Federal Reserve is and how its actions affect the economy. We will also stress ethical considerations in financial management and government regulation.

Course Objectives and Learning Outcomes

- Students should gain in-depth understanding of the fundamentals of financial market operation, including their historical development and government regulatory framework. The course will help prepare students aiming for careers in financial services, and it will also help develop informed consumers and citizens.

Required Materials

- The textbook will be The Economics of Money, Banking, and Financial Markets, by Frederic S. Mishkin (ISBN13: 9780132770248). Significant outside readings from alternative perspectives will be assigned and posted to Sakai as the course progresses. They will include articles about the history of money and banking, the financial crisis of 2007-2009, legal and regulatory issues, and recent developments in cryptocurrencies.
Course Requirements and Grading Criteria

- The final class grade is based on a mid-term exam (35%), case study (25%), and final exam (40%).

- You will be assigned one case study report covering a topic in financial history. You will work on these in groups of 4-5 people. These reports will be assigned alphabetical grades. Team presentations will be made based on these case studies. Your case study grades will be equal among team members.

- Practice quizzes will be distributed and covered in class to prepare for the mid-term and final exams.

Course Grading Scale

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<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>100-93%</td>
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<tr>
<td>A-</td>
<td>92-90</td>
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<tr>
<td>B+</td>
<td>89-87</td>
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<td>B</td>
<td>86-83</td>
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<td>B-</td>
<td>82-80</td>
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<tr>
<td>C+</td>
<td>79-77</td>
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<tr>
<td>C</td>
<td>76-73</td>
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<td>D+</td>
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<td>D</td>
<td>66-60</td>
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<td>F</td>
<td>59 and below</td>
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Class Attendance

Class attendance is mandatory and essential to the value of the learning experience. Students are expected to attend all class sessions in order to pass the course. In the event unavoidable emergencies or conflicts prevent you from attending class, you must notify the instructor and program director by e-mail prior to missing the class, and request options for covering missed material. Most of the subjects in a course are sequential. Therefore, it is important to understand the material covered in the missed class before the next class.

Make-Up Examinations/Assignments

Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

Please note: This class may occasionally deviate from the course outlined above. The instructor reserves the right to make changes as needed to the course syllabus.
Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved. For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website: http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf

Course Outline – note: significant outside readings will be assigned as well

Ch. 1 – Why Study Money, Banking, and Financial Markets?
Ch. 2 – An Overview of the Financial System
Ch. 3 – What is Money?
Ch. 4 – Understanding Interest Rates
Ch. 5 – The Behavior of Interest Rates
Ch. 6 – The Risk and Term Structure of Interest Rates

MIDTERM

Ch. 8 – An Economic Analysis of Financial Structure
Ch. 9 – Financial Crises
Ch. 10 – Banking and the Management of Financial Institutions
Ch. 11 – Economic Analysis of Financial Regulation
Ch. 12 – Banking Industry: Structure and Competition
Ch. 13 – Central Banks and the Federal Reserve System
Ch. 15 – The Tools of Monetary Policy
Ch. 16 – The Conduct of Monetary Policy: Strategy and Tactics

FINAL EXAM