



QUINLAN
SCHOOL of BUSINESS

Schreiber Center • 16 E. Pearson St.
Water Tower Campus • Chicago, IL 60611
LUC.edu/Quinlan

FINC 337 – Banking, Money, and Capital Markets Spring, 2018

Instructor: William Bergman

Email: wbergman@luc.edu

Office Location: Schreiber Center, 705A

Office Hours: WF 12:30-1:30 and by appointment

Course Description:

- This course provides an introduction to money and capital markets, and to the Federal Reserve and monetary policy. Prerequisites include Junior standing, 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. Students should gain in-depth understanding of the fundamentals of financial market operation, including the government regulatory framework. Students will learn how interest rates and bond prices are determined and interrelated, why and how financial institutions are regulated by the government, and who the Federal Reserve is and how its actions affect the economy. The ethics of financial market operations and government financial regulation will also be discussed.

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 will be assigned and posted to Sakai as the course progresses. They will include articles about the history of money and banking, alternative perspectives on the financial crisis of 2007-2009, legal and regulatory issues, and recent developments in cryptocurrencies.
- This is a writing-intensive course. A recommended reference is *On Writing Well*, by William Zinsser. We will be reviewing that book in this course.

Course Requirements and Grading Criteria

- The final class grade is based on three papers (30% total), case study (15%), mid-term exam (25%), and final exam (30%). Case grades will be equal among team members.
- You will be assigned one case study report covering a topic in financial history. You will work on the case study 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 covered in class to prepare for the mid-term and final exams.
- Grading Scale

A	100-93%
A-	92-90
B+	89-87
B	86-83
B-	82-80
C+	79-77
C	76-73
C-	72-70
D+	69-67
D	66-60
F	59 and below

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. Missing more than 20% of scheduled classes severely jeopardizes the student's ability 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

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. 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.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. Limited assistance in proctoring make-up exams may be available through a designated Quinlan administrative assistant. For a student with a documented special testing need, please consult University policy concerning use of the testing center at Lake Shore Campus.

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 here:

<http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf>

Course Outline / Chapter Assignments – Significant related 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
- Ch. 7 – The Stock Market, the Theory of Rational Expectations, and Efficient Markets
- 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. 13 – Central Banks and the Federal Reserve System
- Ch. 15 – The Tools of Monetary Policy

MIDTERM EXAM – Friday, March 2

FINAL EXAM – Monday, April 30

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.