Gustavus Adolphus College
Department of Economics & Management
Spring 2012

E/M 272: Financial Markets & Institutions

Syllabus

Instructor – Rita Ray
Office – BH 165
Phone – (507) 933-6273
E-mail – rray@gustavus.edu

Office Hours – M, T, W, F – 2:30 p.m. – 3:30 p.m.
Classroom – BH 115
Class Time – M,T,W,F – 9:00 a.m. to 9:50 a.m.

Objective – E/M 272 is an intermediate course in Financial Markets & Institutions. In this course the student will get the basic overview of financial system. This course will provide the detail analysis of various kinds of financial markets such as money market, bond market, stock market and mortgage market. Students will get an overview of international financial system. This course will also discuss the efficiency of financial market.


Important Website: http://www.aw-bc.com/mishkin_eakins/
http://www.nytimes.com/
http://online.wsj.com/

Course Outline:

1. Why Study Financial Markets and Institutions (Chapter 1)
2. Overview of the Financial System (Chapter 2)
3. Why Do Interest Rate Mean and What is Their Role in Valuation (Chapter 3)
4. Why Do Interest Rate Change? (Chapter 4)
5. How Do Risk and Term Structure Affect Interest Rates? (Chapter 5)
6. Conduct of Monetary Policy: Tools, Goals, Strategy and Tactics (Chapter 8)
7. The Money Markets (Chapter 9)
8. The Bond Market (Chapter 10)
9. The Stock Market (Chapter 11)

10. The Foreign Exchange Rate (Chapter 13)

11. The International Financial System (Chapter 14)

Exams and Grading Policies:

All students will be evaluated based on the Following Criteria:

1. Two Midterm Exam (Each carries 25% of total grade - total carries 50% of total grade)


Second Midterm – 18th April, 2012.

2. Class Assignments (carries 10% of total grade)

2. Final Exam – 19th May, 2012 from 3:30 p.m. to 5:30 p.m. in BH 101\(^1\) (carries 40% of total grade)

4. Make up Exam – 16th May, 2012 from 2:30 p.m. to 3:20 p.m.

- If you miss one midterm exam, the make up exam will be used to replace your missing midterm score.

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Raw score required</th>
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<tbody>
<tr>
<td>A</td>
<td>93 &amp; above</td>
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<tr>
<td>A-</td>
<td>90-92.9</td>
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<tr>
<td>B+</td>
<td>87-89.9</td>
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<tr>
<td>B</td>
<td>83-86.9</td>
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<tr>
<td>B-</td>
<td>80-82.9</td>
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<tr>
<td>C+</td>
<td>77-79.9</td>
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<tr>
<td>C</td>
<td>73-76.9</td>
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<tr>
<td>C-</td>
<td>70-72.9</td>
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<tr>
<td>D</td>
<td>60s</td>
</tr>
<tr>
<td>F</td>
<td>Below 60s</td>
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Note: If you miss some class try to get the class notes from your fellow classmates. You should come and meet me at my office hours if you have any difficulties with understanding any concepts.

\(^1\) Based on preliminary Final Exam schedule.
**Honor Code**

As a Gustavus student you are required to sign the following statement:

“As a community of scholars, the faculty and students of Gustavus Adolphus College have formulated an academic honesty policy and honor code system, which is printed in the Academic Bulletin and in the Gustavus Guide. As a student at Gustavus Adolphus College I agree to uphold the honor code. This means that I will abide by the academic honesty policy, and abide by decisions of the joint student/faculty Honor Board.”

**Disability Services**

“If you have a documented learning disability that requires special accommodations please speak with your instructors the first day of classes and share the letter you received from Disability Services at GAC. We will work with you to ensure reasonable accommodations given the nature and context for this class. Disability Services Coordinator Laurie Bickett (lbickett@gustavus.edu or x6286) can provide further information.”