



FINA3317-001: Financial Institutions and Markets (3 Credit Hours)

Summer II 2019

Instructor: Yibing Du, PhD, FRM

Office Number: College of Business (COB) 628

Office Telephone Number: 817-272-3705

Email Address: yibing.du2@uta.edu (Email is preferred for communication)

Faculty Profile: <https://www.uta.edu/profiles/yibing%20-du>

Office Hours: By appointment

Section Information: FINA3317-001 Financial Institutions and Markets outlines the structure of financial institutions and markets in the United States and their interactions. How and why the institution has evolved, how it fits within the financial system, how it operates, what is its current impact, and what may its future role be; Formerly FINA4314; credit will be granted only once. Prerequisite: ECON2306, ACCT2302, MATH1316 (or permission by instructor), and 60 credit hours.

Time and Place of Class Meetings: COB149, Monday, Tuesday, Wednesday and Thursday 10:30AM-12:30PM

Description of Course Content: This course delineates how capital is channeled from fund suppliers to fund users through financial markets and financial institutions through which welfares of both parties are improved in a society. For financial markets the focuses are: 1) functions and types of money and capital markets including bond, mortgage, stock, and derivative markets; 2) how financial instruments are issued and traded; 3) how financial markets are organized domestically and globally; 4) participants of financial markets; 5) the valuation and price discovery provided by financial markets. Discussions of financial institutions will cover topics of 1) types and functions of financial institutions; 2) financial institutions' balance sheet activities; 3) challenges of risk management faced by financial institutions; 4) how financial institutions are regulated and the role of Federal Reserve Bank. Finally, the most important price information provided by financial markets- interest rate will be investigated. The relations among interest rate, risks and value of financial instruments will conclude essentials of financial institutions and markets.

Student Learning Outcomes: Advancing through the course students should acquire following skills and knowledge about financial institutions and markets: 1) differentiate types of financial markets and financial institutions; 2) understand determinants of the interest rates and factors that move the rates; 3) valuation method of financial instruments; 4) understand Federal Reserve Bank and its role in maintaining the stability of financial system; 5) identify major characteristics of money markets, bond markets, mortgage markets, stock markets and derivatives markets; 6) examine balance sheet activities of financial institutions; 7) recognize regulatory requirements of different financial institutions; 8) identify major risks faced by financial institutions and understand their risk management strategies such as hedging, diversification and securitization.

Required Textbooks and Other Course Materials:

1. Required Text: "Financial Markets and Institutions" by Anthony Saunders, Marcia Million Cornett, McGraw-Hill Irwin publisher, 7th edition, ISBN: 978-1259919718;
2. Other recommended materials: Wall Street Journal, Bloomberg News and Markets, Yahoo Finance;
3. Technical Requirements: Calculators: TI BAII (Plus)/Professional or HP 12C financial calculators, Laptop, Microsoft Office, Computer Lab or Internet Connections.
4. UTA Canvas: Blackboard is scheduled to be phased out starting summer 2019. Canvas will be the only teaching platform to be used for this course. More information about Canvas could be found

<https://www.uta.edu/provost/Canvas/Home.php>. If you have questions or need technical support of Canvas please contact UTA's IT services at <https://ithelp.uta.edu>.

Descriptions of major assignments and examinations:

1. Exams: Total three exams: two mid-term exams and one comprehensive final exam. All exams are mandatory and final exam is comprehensive.
2. Multiple-Choice-Question Homework: During the semester total three MCQ homework will be assigned. Students are expected to complete each assignment independently by the due date. No late submission will be accepted. The tentative posting and due dates could be found in course schedule.
3. Class participation/attendance: Class participations are components of the final grade. Class participation is strongly encouraged for everyone.
4. End-of-Chapter Homework Extra Credit: For each chapter to be covered during the semester end-of-chapter questions/problems will be assigned. Students are expected to apply the knowledge and skills learned from the class and answer questions/or do analysis. Please refer to the course schedule for expected posting date of end-of-chapter homework assignment. The EOC homework is a semester long project which is not required but an extra credit opportunity. Working on the EOC homework will benefit the study and preparing for the exams. If you want to take advantage of this extra credit opportunity, please submit your work on the last day of the class. No late submission of EOC homework assignments will be accepted.

Attendance: At The University of Texas at Arlington, taking attendance is not required. Rather, each faculty member is free to develop his or her own methods of evaluating students' academic performance, which includes establishing course-specific policies on attendance. As the instructor of this section, I have established following attendance policy: Students enrolled in this course are expected to attend each class with homework and reading assignments completed. Any student who must miss a class is responsible for securing all class materials and assignments for coursework missed. Class roll will be randomly called during class meetings.

Course Policy: 1. During class meetings non-class activities are refrained in the classroom. These may include, but are not limited to, silencing cell phones, etc.

2. Students are encouraged to participate in interactive discussions and ask questions;
3. In case the instructor is late for more than 15 minutes, please leave the classroom quietly;
4. Students should check your UTA e-mail account for any important updates from the instructor. Students are responsible for any missed class materials and assignments.
5. All exams are mandatory with closed book and notes
6. UTA IDs must be in front of the students at all times during exams.
7. Formula sheet will be provided for exams by the instructor.
8. Students must bring their own Scantron form 882-ES and financial calculators. Programming-enhanced calculators are not allowed in the exam.
9. The instructor may relocate students in the exam room.
10. Academic honesty is a must in this course. Any misconducts or dishonesties might result in an automatic F and/ or appropriate disciplinary action.

Grading: Class performance is evaluated by a weighted average of exams, homework assignments and class attendance and participation. Extra credits: Bonus questions will be offered on exams and assignments.

GPA Composition	Weights	Score	Letter Grade
Mid-term Exam 1	26%	89.50-100.0	A
Mid-term Exam 2	26%	79.50-89.49	B
Final Exam (Comprehensive)	33%	69.50-79.49	C
Three MCQ Homework (3×3.33%)	10%	59.50-69.49	D
Attendance and Participation	5%	0-59.49	F

Extra Credit: End-of-Chapter Homework Assignments	5%		
--	----	--	--

Make-up Exams: Make-up exams could be arranged for two mid-term exams if students contact the instructor at least one week prior to the scheduled exam date with a valid reason. No make-up exam will be administered for final exam and no late submission of the last MCQ homework and the End-of-Chapter homework assignment.

Expectations for Out-of-Class Study: Beyond the time required to attend each class meeting, students enrolled in this course should expect to spend at least 6 hours per week on course related activities, including reading required materials, completing assignments, preparing for exams, working on project, etc.

Grade Grievances: Any appeal of a grade in this course must follow the procedures and deadlines for grade-related grievances as published in the current University Catalog. For undergraduate courses, see <http://catalog.uta.edu/academicregulations/grades/#undergraduatetext>; for graduate courses, see <http://catalog.uta.edu/academicregulations/grades/#graduatetext>. For student complaints, see <http://www.uta.edu/deanofstudents/student-complaints/index.php>.

Drop Policy: Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance.** Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://www.uta.edu/aao/fao/>).

Disability Accommodations: UT Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including *The Americans with Disabilities Act (ADA)*, *The Americans with Disabilities Amendments Act (ADAAA)*, and *Section 504 of the Rehabilitation Act*. All instructors at UT Arlington are required by law to provide “reasonable accommodations” to students with disabilities, so as not to discriminate on the basis of disability. Students are responsible for providing the instructor with official notification in the form of **a letter certified** by the Office for Students with Disabilities (OSD). Only those students who have officially documented a need for an accommodation will have their request honored. Students experiencing a range of conditions (Physical, Learning, Chronic Health, Mental Health, and Sensory) that may cause diminished academic performance or other barriers to learning may seek services and/or accommodations by contacting:

The Office for Students with Disabilities, (OSD) www.uta.edu/disability or calling 817-272-3364. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at www.uta.edu/disability.

Counseling and Psychological Services, (CAPS) www.uta.edu/caps/ or calling 817-272-3671 is also available to all students to help increase their understanding of personal issues, address mental and behavioral health problems and make positive changes in their lives.

Non-Discrimination Policy: *The University of Texas at Arlington does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disabilities, genetic information, and/or veteran status in its educational programs or activities it operates. For more information, visit uta.edu/eos.*

Title IX Policy: The University of Texas at Arlington (“University”) is committed to maintaining a learning and working environment that is free from discrimination based on sex in accordance with Title IX of the Higher

Education Amendments of 1972 (Title IX), which prohibits discrimination on the basis of sex in educational programs or activities; Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits sex discrimination in employment; and the Campus Sexual Violence Elimination Act (SaVE Act). Sexual misconduct is a form of sex discrimination and will not be tolerated. *For information regarding Title IX, visit www.uta.edu/titleIX or contact Ms. Jean Hood, Vice President and Title IX Coordinator at (817) 272-7091 or jmhood@uta.edu.*

Academic Integrity: Students enrolled all UT Arlington courses are expected to adhere to the UT Arlington Honor Code:

I pledge, on my honor, to uphold UT Arlington's tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.

I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.

UT Arlington faculty members may employ the Honor Code in their courses by having students acknowledge the honor code as part of an examination or requiring students to incorporate the honor code into any work submitted. Per UT System *Regents' Rule* 50101, §2.2, suspected violations of university's standards for academic integrity (including the Honor Code) will be referred to the Office of Student Conduct. Violators will be disciplined in accordance with University policy, which may result in the student's suspension or expulsion from the University. Additional information is available at <https://www.uta.edu/conduct/>.

Electronic Communication: UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

Campus Carry: Effective August 1, 2016, the Campus Carry law (Senate Bill 11) allows those licensed individuals to carry a concealed handgun in buildings on public university campuses, except in locations the University establishes as prohibited. Under the new law, openly carrying handguns is not allowed on college campuses. For more information, visit <http://www.uta.edu/news/info/campus-carry/>

Student Feedback Survey: At the end of each term, students enrolled in face-to-face and online classes categorized as "lecture," "seminar," or "laboratory" are directed to complete an online Student Feedback Survey (SFS). Instructions on how to access the SFS for this course will be sent directly to each student through MavMail approximately 10 days before the end of the term. Each student's feedback via the SFS database is aggregated with that of other students enrolled in the course. Students' anonymity will be protected to the extent that the law allows. UT Arlington's effort to solicit, gather, tabulate, and publish student feedback is required by state law and aggregate results are posted online. Data from SFS is also used for faculty and program evaluations. For more information, visit <http://www.uta.edu/sfs>.

Final Review Week: for semester-long courses, a period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week *unless specified in the class syllabus*. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

Emergency Exit Procedures: Should we experience an emergency event that requires us to vacate the building, students should exit the room and move toward the nearest exit. When exiting the building during an emergency, one should never take an elevator but should use the stairwells. Faculty members and instructional staff will assist students in selecting the safest route for evacuation and will make arrangements to assist individuals with disabilities. Evacuation plans may be found at http://www.uta.edu/campus-ops/ehs/fire/Evac_Maps_Buildings.php.

In the event of an evacuation of the College of Business building, when the fire alarm sounds, everyone must leave the building by the stairs. All those in the North tower side of the building should proceed to the fire escape stairs located on the East and West sides of that wing. With the current fire alarm system, the elevators will all go to the first floor and stay there until the system is turned off. For Disabled Persons: Please go to the Northeast fire stairs. There is an evacuate track chair located on the 6th floor stairwell. There are people trained in the use of this chair and there will be someone who will go to the 6th floor to get the chair and bring it to any lower floor stairwell to assist disabled persons. Should this be a real emergency, the Arlington Fire Department and UTA Police will also be here to help. Students should also be encouraged to subscribe to the MavAlert system that will send information in case of an emergency to their cell phones or email accounts. Anyone can subscribe at <https://mavalert.uta.edu/> or <https://mavalert.uta.edu/register.php>

Student Support Services: UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include [tutoring](#), [major-based learning centers](#), developmental education, [advising and mentoring](#), personal counseling, and [federally funded programs](#). For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to resources@uta.edu, or view the information at <http://www.uta.edu/universitycollege/resources/index.php>.

The IDEAS Center (2nd Floor of Central Library) offers **free** tutoring to all students with a focus on transfer students, sophomores, veterans and others undergoing a transition to UT Arlington. To schedule an appointment with a peer tutor or mentor email IDEAS@uta.edu or call (817) 272-6593.

Course Schedule (Tentative)

Week	Date	Weekday	Important dates	Lecture Topics
Week1	7/9/2019	Tu	First day of class	Syllabus/CH1 Introduction
	7/10/2019	W		CH2 Determinants of Interest Rates
	7/11/2019	Th	MCQ HW1 Posted	CH3 Interest Rates and Valuation
Week2	7/15/2019	M	Census date	CH4 Federal Reserve system
	7/16/2019	Tu		CH4 Federal Reserve system/Review
	7/17/2019	W		CH5 Money Market
	7/18/2019	Th	Exam 1	MCQ HW1 Due
Week3	7/22/2019	M	MCQ HW2 Posted	CH6 Bond Market
	7/23/2019	Tu		CH7 Mortgage Market
	7/24/2019	W		CH8 Stock Markets
	7/25/2019	Th		CH8 Stock Markets/Review
Week4	7/29/2019	M	Exam 2	MCQ HW2 Due
	7/30/2019	Tu	Last day to drop	CH11,12,13 Commercial Banks
	7/31/2019	W		CH11,12,13 Commercial Banks
	8/1/2019	Th		CH15 Insurance Company
Week5	8/5/2019	M	MCQ HW2 Posted	CH15 Insurance Company
	8/6/2019	Tu		CH16 Security Firms and Investment Banks

	8/7/2019	W		CH17 Investment Companies
	8/8/2019	Th	Last day of class	CH17 Investment Companies/Review EOC HW Extra Credit Due
Week6	8/12/2019	M	Final Exam	COB149 10:30AM-12:30PM MCQ HW3 Due

Emergency Phone Numbers: In case of an on-campus emergency, call the UT Arlington Police Department at **817-272-3003** (non-campus phone), **2-3003** (campus phone). You may also dial 911. Non-emergency number 817-272-3381