Texas A&M University – Corpus Christi  
College of Business  
Course Syllabus

Course Number: FINA 3312

Instructor: Thomas N. Matthews
Email: tomm@americanbank.com
Office 361-6530-5017 (Direct Line)
Cell 361-877-7312  FAX 361-888-7200
Office Hours: By Appointment

Course Description: Course content includes an analysis of financial markets, financial institutions, regulation, money market operations, global impact of central banking principals, monetary policy, and determination of interest rates with financial planning.

Kidwell, Blackwell, Whidbee, and Peterson

Course Prerequisites: ECON 2301, ECON 2302
Junior level or above standing

Learning Objectives: Upon completion of the course, students will be able to:

- Understand the role and purpose of financial markets and financial institutions in society.
- Explain evolution of financial market regulation and current trends.
- Discuss the similarities, differences, advantages, and disadvantages of different types of financial organizations.
- Describe the global impact of central banking principles and monetary policy on financial institutions and markets.
- Calculate interest changes and the impact on financial asset pricing.

Relationship to Other Courses: This course serves finance majors and minors by providing students with a broad understanding of existing financial markets and institutions.

Instructional Method: Lectures supported by class discussion, handouts, and question and answer sessions.
Performance and Evaluation: Three exams will be given and a term paper will be assigned. Test materials will come from lecture notes,
the textbook, assigned reading, homework, and class discussion. The test format is primarily multiple choice and short answer questions. Exam questions will emphasize understanding and application of concepts and topics covered.

**Grading will be assigned as follows:**

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<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Exam 1</td>
<td>20%</td>
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<tr>
<td>Exam 2</td>
<td>20%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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<tr>
<td>Term Paper</td>
<td>20%</td>
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<tr>
<td>Pop Quizzes &amp; Participation</td>
<td>10%</td>
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The standard alphabetical grading scale is employed where:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
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<tbody>
<tr>
<td>A</td>
<td>90 – 100</td>
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<tr>
<td>B</td>
<td>80 – 89.9</td>
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<tr>
<td>C</td>
<td>70 – 79.9</td>
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<tr>
<td>D</td>
<td>60 – 69.9</td>
</tr>
<tr>
<td>F</td>
<td>Below 60</td>
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**General Class Policy:** You are expected to follow all rules of common courtesy during classroom lecture and discussion. The presence of cell phones, pagers, and any other disruptive items or actions is prohibited in the classroom. No food is allowed in the classroom.

**Oral and Written Communication Requirements:** Effective written communication is necessary for exams. Students are expected to participate actively in class discussion and will be rewarded through their class participation grade for doing so.

**Attendance Policy:** You are expected to attend all classes. Legitimate absences require an excuse and prior notification if possible.

**Technological Applications:** Students are required to use computer applications, computer data bases, and online services for this class.

**Ethical Perspective:** The difficulty of assigning financial values to human welfare, moral and ethical concepts in a cost/benefit or risk/return analysis is stressed.

**Global Perspective:** The global nature of current enterprise is reviewed. The concepts of exchange rate risk and government risk
is discussed in as much detail as possible given class size and time constraints.

**Demographic Diversity Perspective:** The diversity within and among this country and other countries is discussed as it affect numeric input into financial analysis. The financial goal of a corporation and the impact on demographic diversity is reviewed.

**Political, Legal, Social, Regulatory, and Environmental Perspective:** The interaction of the economic, legal, and financial goals is considered. The contrast of accounting goals in a legal environment is presented and contrasted as to their time dimension, discipline, and function. The interrelation of the various disciplines is considered from the integrated approach.

**Academic Honesty:**

This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student College of Ethics (available online at [www.coc.tamucc.edu](http://www.coc.tamucc.edu)). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

**Americans with Disabilities Act Compliance:** The American with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, the legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Driftwood 101.

*If you are a returning veteran and are experiencing cognitive and/or physical issues in the classroom or on campus, please contact the Disability Services office for assistance – (361) 825-5816.*
Course Outline and Calendar

Fall Semester – 2011

8/30/11  Overview – The Role of Financial Markets and Institutions  Chapter 1

Central Banks – The Federal Reserve System  Chapter 2

9/06/11  The Global Financial System and International Markets  Chapter 12, 15

Central Banks – European Central Bank; Bank of Japan,
People’s Bank of China; Exchange Rates; Balance of Payments  Chapter 15

International Monetary Fund; Sovereign Investment Funds

9/13/11  Monetary and Fiscal Policy  Chapter 2, 3

Federal Open Market Committee; U.S. Treasury; U.S. Congress;
Executive Branch

•  Government Deficits, Money and Inflation

9/20/11  Money and Capital Markets  Chapter 7, 8

•  The Stock Market, The Bond Markets, Commodities
•  Financial Manias, Bubbles and Busts

9/27/11  ................................................................. Exam 1

10/04/11  Determinates of Interest Rates  Chapter 4

10/11/11  Interest Rate Risk  Chapter 5

•  Financial Asset Pricing
•  Interest Rates and the Bond Markets

10/18/11  Mortgage Markets and Securitization  Chapter 8, 9

•  Residential Real Estate Financing
•  Government Sponsored Enterprises
•  Collapse of the Markets – 2008

10/25/11  Derivatives  Chapter 11

•  The Nature of Derivative Securities
•  Asset Backed Securitization and Credit Ratings
•  Collateralized Debt Obligations and other Wall Street Exotics

11/01/11  Equity Markets  Chapter 10
- The Stock Market as a Predictor of Economic Activity
- Regulation of Equity and Debt Markets – Is there a difference?

11/08/11 ................................................................................................................. Exam 2

11/15/11 The Commercial Banking System Chapter 13, 14

- Regulation, Deregulation and More Regulation

11/22/11 Savings Banks, Industrial Banks, and Credit Unions Chapter 17

11/29/11 Non-Bank Financial Institutions Chapter 18, 19

- Insurance Companies and Pension Funds
- Investment Banks (What is their role?)

12/06/11 ..................................................................................................................... Exam 3

Term Paper is due on November 22nd. Either email to tomm@americanbank.com or deliver a copy to class.