Contact Information

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Welcome

Welcome to the online edition of Finance 6540 class. I will be following your progress during the semester and will provide you with suggestions and support to help you in the process. Once again, welcome to the course and I look forward to working with you.

Course Description and Goals

This course is designed to provide an overview of financial markets and institutions and to discuss the technical details of how these entities operate. The weekly reading and homework assignments are carefully selected to help you with the skill-set required in the marketplace. The goal is to prepare you for positions in the financial industry or other sectors that require such knowledge.

We will be supplementing the book chapters and end-of-chapter questions and problems with occasional outside readings. In addition, we may have speakers from industry to discuss challenges and opportunities in specific markets. These talks will be video-taped and posted. A term paper is assigned to assess your learned-knowledge of this field.

Prerequisite: Financial Management (Finance 6500)

Textbook


Course Schedule

Week of Jan 16: Ch 1: Introduction; and posted supplement  
Week of Jan 23: Chs 2-3: Determinants of Interest Rates; Interest Rates/ Security Valuation  
Week of Jan 30: Chs 4-5: The Federal Reserve System, Monetary Policy; Money Markets  
Week of Feb 6: Chs 6-7: Bond Markets; Mortgage Markets  
Week of Feb 13: Chs 8-9: Stock Markets; Foreign Exchange Markets  
Week of Feb 20: Chs 10-11: Derivatives; Commercial Banks, Industry Overview  
Week of Feb 27: Chs 12-13: Commercial Banks’ Financial Statements; Regulation  
Week of Mar 6: Exam I  
Week of Mar 13: Chs 14-15: Other Lending Institutions; Insurance Companies
Week of Mar 20: Chs 16-17: Securities Firms, Investment Banks; Investment Companies
Week of Mar 27: Spring Break
Week of Apr 3: Chs 18-19: Pension Funds; Risk in Financial Institutions
Week of Apr 10: Chs 20-21: Managing Credit Risk; Managing Liquidity Risk
Week of Apr 17: Chs 22-23: Managing Interest Rate Risk; Managing Off-Balance Sheet with Derivatives
Week of Apr 24: Chs 24, Managing Off-Balance Sheet Risk with Loan Sales and Securitization
Week of May 1: Exam II

Paper due on April 30, 11:59 pm

Time Requirements:
As this is an advanced graduate class, I hesitate to quantify how much time it would take you to prepare for this course. I may guess seven hours per week on average but it can be more or less depending on your prior work or education experiences.

Technology Requirements:
You will be navigating McGraw-Hill Connect through MyGateway. McGraw-Hill Connect is a web-based assignment and evaluation platform that will help you connect to your coursework. This will include engaging content, immediate feedback, and more practice opportunities.

To get to McGraw-Hill Connect, go to "Tools" on MyGateway, click on "McGraw-Hill Higher Education," and click on "Go to My Connect Section" then follow the steps to log in or register. You will need a Connect access code, which will be packaged with the textbook in the bookstore. (If you plan to purchase an electronic version of the book, you may also purchase access to Connect.) You will be able to take Connect assignments directly from within your MyGateway course once the process is completed.

As a student in an online course, you are expected to have reliable internet access almost every day. At a minimum, you will need the following software/hardware to participate in this course:

1. Computer with an updated operating system (e.g. Windows, Mac, Linux)
2. Updated Internet browsers (Apple Safari, Internet Explorer, Google Chrome, Mozilla Firefox)
3. Ability to navigate MyGateway (Blackboard Learning Management System)
5. DSL or Cable Internet connection or a connection speed no less than 6 Mbps.
6. Media player such as VLC Media Player.
7. Adobe Flash player (free)
8. Adobe Reader or alternative PDF reader (free)

Academic Honesty
You are expected to follow university's policies related to academic honesty stated in https://www.umsl.edu/services/academic/policy/academic-dishonesty.html.
**Course Grade**

Homework       25%
Paper           25%
Exam I          25%
Exam II (Not comprehensive) 25%

Please check out the Help & Resources section for helpful tips. Also, I will be posting information on a campus mentoring facility in the near future if you need assistance with technology.