University of South Florida—Sarasota/Manatee
Course Syllabus—Spring 2015

Course Number: FIN 4303

Class Time: 6-8:45 p.m. Wednesday

Course Name: Financial Institutions and Markets

Instructor: Dr. Thomas Pencek

Office: SMC C219
Phone: 941-359-4631
Fax: 941-359-4367

E-Mail: pencek@sar.usf.edu

Office Hours: 12:30-1:30 p.m. Tuesday
3-5 p.m. Monday, Wednesday and by appointment.


Course Goals: This course will provide the student with an introduction to and overview of various financial instruments, financial institutions, financial markets, and the monetary system.

Course Objectives: The objectives of the course are as follows:

• To understand the various functions of financial markets that exist.
• To introduce the student to various financial instruments
• To understand the functions and operations of various financial institutions
• To gain an understanding of the workings of the Federal Reserve and basic banking
• To understand the workings and intentions of monetary policy
• To understand the determination of interest rates

Please be aware that when you registered for this class that you are expected to commit at least 10 hours per week towards this class.

Exams and Quizzes: Exams in this class will be problems and essay with some multiple choice. I will give you information about the exam in advance. In
addition, an optional extra credit problem will be assigned before each exam. This will be the “curve” for the exam. If correct, a minimum of 10 points will be added to your grade. It could be worth more depending on the average for the exam. No other extra credit is given. Quizzes will be given every week to judge your progress. It is an opportunity for you to see the type of questions that I ask. Approximately 9 quizzes will be given based on a topic of that week. The highest five quiz grades will count. No makeup of quizzes nor exams are given.

Class Participation: The class participation grade is based on the number of times you answer questions when we go over the homework assignments. I reward effort. Therefore, I expect all of you to have the homework completed when due. Some turn in assignments will also form part of your class grade. The Internet Exercises are to be turned in by e-mail by 11:59 p.m. on Tuesday before the assignments are due. Most of the grade lately has been in the form of turn-in assignments by e-mail. If you cannot make it class when the homework is due, please turn in the homework before class to receive some credit. Some assignments will be due by e-mail only. I respond to any messages sent. With the exception of weekends, if you do not hear from me within 24 hours, there might be a problem. Please check your participation score regularly on Canvas and compare it to the average. If you are well below average, it means you have not been participating relative to the rest of the class. The participation grades are updated weekly.

Submission of Assignments: Each and every assignment has a due date, generally one of the scheduled class meetings. All assignments MUST be submitted on their respective due dates, unless PRIOR arrangements have been made. No late assignments can be accepted.

Missed Classes: If you miss class, please get the notes from your fellow students related to the missed classes. If you have any questions about the topics presented in class, please call or see me in person as I have found that e-mail is not the best medium to get your questions answered.

Team Project: Groups of three to four students will research publicly traded banks. Each student will pick one bank from a list provided by the professor. Items to be researched include the number of employees, the beta of the bank if available, the chief executive officer, the pay of the CEO and the most current recommendations by analysts. Each student must research a different bank. The
last part of the project will be to perform a financial analysis of the bank. Ratios that will cover in class will be part of the analysis along with the analysis of the statement of cash flows. Minimum expectations are that you analyze each ratio and statement of cash flow ratios discussed in class. Finally, you need to make a specific recommendation as to which bank do you think is the best. Defense of your choice is very important. Please note that I am expecting you to get my approval of your banks by September 1. No duplication of banks is allowed. The final project is due April 2th.

The format for the written part should include an analysis of the trend of ratios for your bank. Analysis includes the meaning, trend and a comparison of each ratio for the banks in your study. In addition, a ranking of each bank is expected for each ratio. An overall summary of the ratios and a recommendation is expected. The powerpoint slides provides some guidance. Please include all the other information mentioned above. For the oral presentation, some visual aids are expected and appreciated.

Grading:

3 exams @ 200 Points  600
5 Quizzes @20 Points  100
Group Project-Written  60
Group Project-Oral  40
Participation  100
Total  900

Grade

810 or more points  A
720-809 points  B
630-719 points  C
560-629 points  D
Below 480  F

USFSM AND USF SYSTEM POLICIES

A. Academic Dishonesty: The University considers any form of plagiarism or cheating on exams, projects, or papers to be unacceptable behavior. Please be sure to review the university’s policy in the USFSM Catalog, the USF System Academic Integrity of Students, and the USF System Student Code of Conduct.

B. Academic Disruption: The University does not tolerate behavior that disrupts the learning process. The policy for addressing academic disruption is
included with Academic Dishonesty in the [USFSM Catalog](https://usfsm.edu/catalog), USF System Academic Integrity of Students, and the [USF System Student Code of Conduct](https://usfsm.edu/student-life/student-code-of-conduct).

C. **Contingency Plans:** In the event of an emergency, it may be necessary for USFSM to suspend normal operations. During this time, USFSM may opt to continue delivery of instruction through methods that include but are not limited to: Canvas, Elluminate, Skype, and email messaging and/or an alternate schedule. It’s the responsibility of the student to monitor Canvas site for each class for course specific communication, and the main USFSM and College websites, emails, and [MoBull](https://mobull.usf.edu) messages for important general information. The USF hotline at 1 (800) 992-4231 is updated with pre-recorded information during an emergency. See the [Campus Police Website](https://police.usf.edu) for further information.

D. **Disabilities Accommodation:** Students are responsible for registering with the Office of Students with Disabilities Services (SDS) in order to receive academic accommodations. Reasonable notice must be given to the SDS office (typically 5 working days) for accommodations to be arranged. It is the responsibility of the student to provide each instructor with a copy of the official Memo of Accommodation. Contact Information: Disability Coordinator, 941-359-4714, disabilityservices@sar.usf.edu, [http://usfsm.edu/disability-services/](http://usfsm.edu/disability-services/)

E. **Fire Alarm Instructions:** At the beginning of each semester please note the emergency exit maps posted in each classroom. These signs are marked with the primary evacuation route (red) and secondary evacuation route (orange) in case the building needs to be evacuated. See [Emergency Evacuation Procedures](https://police.usf.edu/emergency-preparedness/evacuation-procedures). 

F. **Religious Observances:** USFSM recognizes the right of students and faculty to observe major religious holidays. Students who anticipate the necessity of being absent from class for a major religious observance must provide notice of the date(s) to the instructor, in writing, by the second week of classes. Instructors canceling class for a religious observance should have this stated in the syllabus with an appropriate alternative assignment.

G. **Sexual Misconduct/Sexual Harassment Reporting:** USFSM is committed to providing an environment free from sex discrimination, including sexual harassment and sexual violence ([USF System Policy 0-004](https://usfsm.edu/policies/p-0-004)). The Counseling and Wellness Center is a confidential resource where you can talk about incidents of sexual harassment and gender-based crimes including sexual assault, stalking, and domestic/relationship violence. This confidential resource can help you without having to report your situation to either the Office of Student Rights and Responsibilities (OSSR) or the Office of
Diversity, Inclusion, and Equal Opportunity (DIEO), unless you request that they make a report.

Please be aware that in compliance with Title IX and under the USF System Policy, educators must report incidents of sexual harassment and gender-based crimes including sexual assault, stalking, and domestic/relationship violence. If you disclose any of these situations in class, in papers, or to me personally, I am required to report it to OSSR or DIEO for investigation. The Deputy Coordinator for USFSM is Mary Beth Wallace, AVP for Student Enrollment, Engagement and Success, 941-359-4330 or marybeth@sar.usf.edu.

Campus Resources:

Counseling Center and Wellness Center 941-487-4254
Victim Advocate (24/7) 941-504-8599
List of off-campus resources:
Hope of Manatee: 941-755-6805
Safe Place & Rape Crisis Center (SPARCC) – Sarasota: 941-365-1976
First Call for Help- Manatee: 941-708-6488
Sarasota & North Port 941-366-5025
Manatee Glens: 941-782-4800

H. **Web Portal Information:** Every newly enrolled USF student receives an official USF e-mail account. Students receive official USF correspondence and Canvas course information via that address.
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<thead>
<tr>
<th>Date</th>
<th>Chapter and Topic(s)</th>
<th>Questions</th>
<th>Problems</th>
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<tbody>
<tr>
<td>January 7</td>
<td>Chap. 1—Role of Financial Markets; Bank Ratios; Bank Ratios</td>
<td>Ch. 1—1,2,4,5,6,7,8,10,12,13,14,16,18,19,20,21,23</td>
<td>Ch. 1—Interpreting Financial News (IFN), Managing in Financial Markets (MFM), Internet Exercises (IE)</td>
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<td>January 14</td>
<td>Bank Ratios</td>
<td>Ch. 1—1,2,4,5,6,7,8,10,12,13,14,16,18,19,20,21,23</td>
<td>Ch. 1—Interpreting Financial News (IFN), Managing in Financial Markets (MFM), Internet Exercises (IE)</td>
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<td>January 21</td>
<td>Chap. 2—Interest Rates Determination; Chap. 3—Interest Rate Structure</td>
<td>Your Banks’ Financials</td>
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<td>January 28</td>
<td>Chap. 4—Functions of the Fed; Chap. 5—Monetary Policy</td>
<td>Ch. 2—2,3,4,5,6,7,8,10,11,12,14,15,16,18,19,20,22</td>
<td>Ch. 2—1,2, (IFN), (MFM)</td>
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<td>February 4</td>
<td>Ch. 6—Money Markets; Chap. 7—Bond Markets</td>
<td>Ch. 3—2,3,4,5,6,8,9,10,11,14,15,16,17,18,20</td>
<td>Ch. 3—1,2,4,5,6,8,9, (IFN),(MFM),(IE)</td>
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<td>February 11</td>
<td>Exam 1</td>
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<td>February 18</td>
<td>Chap. 6—Money Markets; Chap. 7—Bond Markets</td>
<td>Ch. 6—1,2,4,6,7,9,11,13,14,16,19,20,22</td>
<td>Ch. 6—1,2,3,4,5,6,8,9,10, (IFN), (IE 1,2)</td>
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<td>February 25</td>
<td>Continuation of chapter 7; Chap. 8—Bond Valuation</td>
<td>Ch. 7—2,3,4,5,6,7,9,10,11,13,14,16,15,16,18</td>
<td>Ch. 7—1,2</td>
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<td>March 11</td>
<td>Chap. 9—Mortgage Markets; Chap. 10—Stock Offerings</td>
<td>Ch. 8—2,5,6,7,8,9,11,12,13,14,15,17,18,21,22,24,27,28</td>
<td>Ch. 8—1,2,5,6,7,8,9,10,11,12,13,14,16,17, (IFN),(IE)</td>
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<td>March 18</td>
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<td>Ch. 9—1,3,4,5,8,10,11,12,14,16,17,19,21,22,25,26,28,29,32,33</td>
<td>Ch. 9—1</td>
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<tr>
<td>March 25</td>
<td>Exam 2</td>
<td></td>
<td>Ch. 10—1, (IFN),</td>
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<td>April 1</td>
<td>Chap. 11—Stock Valuation; Chap. 12—Market Microstructures</td>
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<td>Project due</td>
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<td>April 8</td>
<td>Chap. 13—Financial Futures Markets; Chap. 14—Options Markets</td>
<td>Ch. 11—1,2,3,4,5,7,8,9,10,12,14,15,16,20,21,22</td>
<td>Ch. 11—1,2,3,4,5,7,8,10,11,12,13,16,17, (IFN), (IE)</td>
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<td>April 15</td>
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<td>Ch. 13—1,2,3,4,5,6,7,9,13,15,17,20</td>
<td>Ch. 13—1,2,3,4,5,6 (IFN); Ch. 14—1,2,3,4,5,6,9,10, (IFN)</td>
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<td>April 22</td>
<td>Presentations of Projects</td>
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<td>April 29</td>
<td>Final Exam 6-8 p.m.</td>
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