The Cameron School of Business at University of St. Thomas

1. Course Information

Course Title: Financial Institutions and Markets

Course number: FINA 5331  Course Section: NA  Credit. Hours: 3

Prerequisites: FINA 5318
Days & hours: T/Th 5:30 – 6:45 p.m.

BlackBoard site: TBA

Note: Material covered in this class will be tested in the ETS major field test in MBA 5370/MGMT 4399.

2. Instructor Information

Name: Hassan Shirvani               Office location: Welder 211

Office phone: 713 525 2118

Office hours: Mon/Wed 3:00-5:30 / 6:45-7:00 p.m.
Tues/Thurs  5:00-5:30 / 6:45-7:00 p.m.

Where to leave assignments:  Slip under Office Door

Emergency phone: 713 525 2100               E-mail: shirvani@stthom.edu

Fax number: 713 525 2110

*home/cell phone: (include restrictions)

3. Course Catalog Description

This course offers a comprehensive analysis of the role of the financial system in the U.S. economy, emphasizing its institutions, markets, instruments, and regulation. The course begins by describing how the financial system creates liquidity, acts as an intermediary between savers and investors, and is used as a major tool of economic policy. Subsequent discussion proceeds to analyze the operation of the financial markets, the determination of the interest rate structure, and the characteristics of the major financial instruments. In the process the impact of the recent financial innovations and deregulation on the performance of the U.S. financial sector is examined and evaluated.
4. MBA Learning Goals

The Master of Business Administration has six goals. When students complete the MBA at the University of St. Thomas:

1. They will be able to effectively lead and participate in a team project.
   - Objective 1: Students can demonstrate appropriate group techniques to participate in a team task that results in effective performance.
   - Objective 2: Students can demonstrate effective leadership skills in a group project.

2. They will integrate multi-disciplinary perspectives in synthesizing and analyzing information to make sound business decisions.
   - Objective 1: Students can analyze ineffective business practices that result from poorly integrated business processes.
   - Objective 2: Students can formulate sound proposals for improving integrated business processes.

3. They will recognize current trends in the global business environment and identify opportunities for competition and collaboration.
   - Objective 1: Students can identify current trends in the global business environment.
   - Objective 2: Students can formulate how these trends can generate competitive advantage.

4. They will be able to articulate ethical behavior and standards cite relevant moral theory and provide suggestions for dealing with ethical issues
   - Objective 1: Graduates can recognize the ethical issues in a business situation.
   - Objective 2: Graduates can cite relevant ethical and moral theory in a business situation.
   - Objective 3: Graduates can apply relevant Ethical and Moral theory to provide creative suggestions to address the issue in a business situation.

5. They will be able to communicate effectively
   - Objective 1: When students complete the MBA, they can deliver a professional presentation.
   - Objective 2: Graduates can produce written materials that flow logically and are grammatically correct.

6. Graduates will demonstrate understanding of perspectives and the context of business.
   - Objective 1: When students complete the MBA, they can demonstrate management specific skills and competencies.
The first five goals, related to general knowledge, are assessed using course embedded method. Goal 6, which is management specific, will be assessed employing ETS Major Fields

5. Course Learning Goals (and relationship to program goals and objectives)

Upon successful completion of this course, you will be able to:

- Understand the latest developments in functions, structure, and regulation of the financial system, and use this knowledge to formulate optimal financial decisions for business firms (BBA Goal #2).

- Recognize the strategic importance of monetary policy for a sound economic and financial environment, and use the expected actions of monetary authorities to plan appropriate production, employment, and investment decisions for business firms (BBA Goal #3).

- Communicate effectively by preparing financial projects and reports that can be used to aid financial decision makers (BBA Goal #5)

6. Texts, Readings, Materials

Required text:


7. Instructional methods

This course uses lectures and class discussions to present the required materials. While the course covers some institutional material as background information, the emphasis throughout is on quantitative analysis and problem solving. Numerous problems are assigned and solved in the classroom, often with active student participation. In addition, the students are also required to prepare individual case studies.

8. Technology

1) Online data retrieval and/or research.

2) Use of general productivity software (e.g., Microsoft Office) to complete assignment.

3) Blackboard.
9. Course Tentative Schedule:

**Course Calendar/Schedule**

<table>
<thead>
<tr>
<th>Assignments of topics, exams</th>
<th>Due dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction and Overview</td>
<td>Week 1</td>
</tr>
<tr>
<td>Rose, Chs. 1-2</td>
<td></td>
</tr>
<tr>
<td>This section presents an overview of the course, offering a general introduction to the role of the financial system in a modern industrial economy. In the process, the structural characteristics of the major groups of financial institutions and markets are briefly reviewed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Commercial Banks</td>
<td>Weeks 2-4</td>
</tr>
<tr>
<td>Rose, Ch. 14</td>
<td></td>
</tr>
<tr>
<td>This section provides a detailed introduction to the U.S. commercial banking system, emphasizing its evolving structure, its functions, and its changing regulation. The section also discusses the creation of money by the banking system within the regulatory environment provided by the monetary authorities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The Fed and Monetary Policy</td>
<td>Weeks 5-6</td>
</tr>
<tr>
<td>Rose, Chs. 12-13</td>
<td></td>
</tr>
<tr>
<td>This section offers a comprehensive survey of the history, the evolving organization, and the role of the U.S. central bank--the Federal Reserve System (the Fed) in the U.S. economy. Attention will also be paid to the role of the Fed in the formulation and implementation of monetary policy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Nonbank Depositary Institutions</td>
<td>Week 7</td>
</tr>
<tr>
<td>Rose, Ch. 15</td>
<td></td>
</tr>
<tr>
<td>This section reviews the major characteristics of the thrift institutions--savings and loans, credit unions, and savings banks--in the U.S., emphasizing their functions and their regulation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>REVIEW AND FIRST EXAM</td>
<td>Week 8</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Interest Rates</td>
<td>Weeks 9-14</td>
</tr>
<tr>
<td>Rose, Chs. 5-9</td>
<td></td>
</tr>
<tr>
<td>This section offers a comprehensive introduction to the role of</td>
<td></td>
</tr>
</tbody>
</table>
interest rates in the economy, explaining how they are determined, how they are measured, how they are forecasted, and how they are hedged against.

6. The Money Market  Rose, Ch. 11  Week 15

This section focuses on the role of money markets and instruments in the economy, singling out the most important types of money market instruments for special and detailed treatment.

| REVIEW AND FINAL EXAM | Week 16 |

Statement on tentativeness of schedule:

The above schedule and procedures in this course are subject to change in the event of circumstances beyond the instructor's control.

10. Course Policies

1) Students are expected to attend every class. It is the student’s responsibility to keep informed of any announcements, syllabus adjustments, or policy changes made during scheduled classes. I maintain a blackboard site for this course and will do my best to post such announcements in a timely manner on the site. However, you are still responsible for all class announcements, not just those that get posted to the web site.

2) Please turn off your cell phones and all other electronic devices before entering the class.

11. Student Grading Processes: (including weighting of factors)

There will be two exams, one midterm and one final, each worth 50% of your final grade. You can also obtain up to 5 points of extra credit by completing individual projects. If you know you will miss an exam for a legitimate reason, notify me as soon as possible, so we can make alternative arrangements. Without an explanation in advance, a make-up exam is unlikely to be allowed.

12. Available Support Services:

You can reach me during my office hours to discuss homework, lectures, or any other aspect of the class. In addition, you can reach me by phone and email, especially during the weekends prior to exams, to discuss last minute concerns about your scheduled tests.
The Cameron School of Business at University of St. Thomas

MISSION STATEMENT

The Cameron School of Business will serve students of diverse backgrounds, providing them the necessary professional skills for a changing global economy, and instilling in them a deep appreciation for ethical behavior as the hallmark of a successful and fulfilling business career. The Cameron School will provide its students a timely and comprehensive business curriculum, with opportunities for specialized study in major business fields. The faculty will provide quality teaching, as this is the core of our mission. As an extension of our teaching mission, the faculty will engage in scholarly activity and service to the University, the profession, and the community.

Academic Honesty

Ethical conduct is essential to a community of scholars and students searching for truth. Anything less than total commitment to honesty and honorable conduct undermines the efforts of the entire community. Academic integrity lies at the very heart of any institution of higher learning. In the Cameron School of Business, students and faculty are expected to commit to a code that exemplifies each individual's honor and integrity. Any conduct that violates this standard and betrays the respect of others is a matter of grave concern and, accordingly, is deemed unacceptable.

Accommodations

The University of St. Thomas abides by the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, which stipulates that no student shall be denied the benefits of an education "solely by reason of her or his disability." If you have a documented disability that may impact your performance in this class and for which you may require accommodations, you must be registered with and provide documentation of your disability to Counseling and Disability Services which is located on the second floor of Crooker Center. Contact Debby Jones or Rose Signorello at 713-525-6953 or 713-525-3162.

Tutorial Services

Students are encouraged to consult with tutors at the Learning and Writing Center when completing written assignments for this course. Based on the instructor’s assessment of the student’s written work, the student may be required to work with the tutors at the Learning and Writing Center to improve the student’s writing skills.