

**Office hours: MWF 10:15-11:15, T 1-2, and by appointment**

You are free to stop by my office anytime, or call and make an appointment. You can also reach me by email: [edunne@oswego.edu](mailto:edunne@oswego.edu).  
Note: When the Baldwinsville School District is on 2-hour delay on MWF, I will hold office hours from 3-4.

**Course Description**

The course focuses on U.S. financial institutions and markets. The first part of this course is an overview of banks and nondepository financial institutions. The operation and assets of these institutions are discussed, along with the how they are regulated. The role of the Federal Reserve System is also included. The second part of this course is a more detailed examination of market interest rates, including the movement, measurement, and variation of interest rates on different types of assets with different maturities. This section also includes an overview of the risk-return tradeoff in asset pricing. The third part of this course presents the structure of both primary and secondary markets for many types of financial assets, including equity, Treasury debt, corporate debt, and mortgages. The fourth part of this course examines innovations in financial assets that have occurred since the 1970s to better manage interest rate risk. These assets include mortgage-backed securities and futures and options contracts.

**Course Materials**

**required:** *Foundations of Financial Markets and Institutions* (3<sup>rd</sup> ed.) by Fabozzi and Modigliani. In both bookstores.

**recommended:**

- The course web site at <http://www.oswego.edu/~edunne/eco342.htm> Lecture notes, exam study guides, homeworks, answer keys, and all course information are available at this site.
- The course email list. I will be sending grade information and course announcements to your Oswego email account. You may arrange to have your Oswego email forwarded to your preferred account at <http://www.oswego.edu/forward>

I expect you to buy the textbook and read the assigned chapters. If you choose to do otherwise, I expect you to accept the consequences, which may be a disappointing grade.

**Grading Policy**

Grades will be based on a total of 500 points earned during the semester as follows:

- 3 exams (100 points or 20% each)
- 6 homeworks (20 points each, lowest dropped)
- Exams are a mixed format of multiple choice and problems/short essays.
- The exams taken during the semester (exams 1, 2, and 3) will be re-weighted, giving 10% weight to the lowest of the 3 exams and 30% weight to the highest of the 3 exams. The final will not be re-weighted.
- I will use the following grading scale:

|                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|
| <b>A</b> 465 - 500  | <b>B+</b> 435 - 449 | <b>C+</b> 385 - 399 | <b>D</b> 315 - 336  |
| <b>A-</b> 450 - 464 | <b>B</b> 415 - 434  | <b>C</b> 365 - 384  | <b>D-</b> 300 - 314 |
|                     | <b>B-</b> 400 - 414 | <b>C-</b> 340 - 364 | <b>E</b> < 300      |

- **Extra Credit** During the semester I will offer some short extra credit assignments. These assignments are optional and you must be in attendance to be eligible to complete them. Extra credit will total at least 10 points or 2% of your grade.

**Makeups**

Requests for makeups for the exams or final must be made to me one week prior to the exam. Emergencies will be handled on a case-by-case basis. **All makeups require a documented, excused absence.** These include documented medical and family emergencies and travel with university organizations. These do not include going home for a long weekend, having a cold, or oversleeping. Makeup exams may be essay exams if taken after the scheduled exam or I may re-weight.

**Attendance**

Regular attendance is expected, but not explicitly graded. I expect you to be on time and not to talk to others during my lectures. If you miss class or are tardy for class, it is your responsibility to cover the missed material. Extra credit opportunities are available **ONLY** to those students who attend lecture (or have an excused absence) on the day it is offered. Homework is due at the beginning of class. If SUNY Oswego cancels classes due to weather, you may find out by calling the information line at 312-3333. If I must cancel my own class due to illness/weather I will send an email announcement and change my voicemail greeting.

### Cheating

The penalty for cheating on an exam is a failing grade in this course. I reserve the right to require special seating for anyone taking an exam. You may work with others on the homework, **but copied or substantially identical homework answers are grounds for a zero on that assignment.** Also, **Copying passages out of a book or article without quoting and citing the source is plagiarism and will result in zero credit for the assignment.**

If you are having any problems in the course, or are encountering personal problems that may affect your grade, please come to see me, when the problem occurs. Do not wait until the end of the semester when it is difficult, if not impossible, to correct any difficulties. **If you have any special requirements that need to be accommodated in terms of seating or test taking, please come to see me.**

### Course Outline and Schedule

You are responsible for all of the information in this outline. Be sure to read it carefully, noting especially the dates for the homework and exams. Note: HOMEWORK IS DUE AT THE BEGINNING OF CLASS. Exam dates may change if there are emergency circumstances.

| Week | Dates   | Chapters                       | Homework  | Exams   |
|------|---|--------------------------------|---|---|
| 1    | 1/26, 1/28, 1/30                                    | 1, 2                           |   |   |
| 2    | 2/2, 2/4, 2/6                                       | 3, 4, 5 (65-68)                | homework #1 assigned 2/4                          |   |
| 3    | 2/9, 2/11, 2/13                                     | 6 (92-93), 7                   | homework #1 due 2/11<br>homework #2 assigned 2/13 |   |
| 4    | 2/16, 2/18, 2/20                                    | 8, 9                           | homework #2 due 2/20                              |   |
| 5    | 2/23, 2/25, 2/27                                    | 10                             |   | <b>exam 1, Wednesday 2/25, chapters 1-9</b>               |
| 6    | 3/1, 3/3, 3/5                                       | 11, 12                         | homework #3 assigned 3/3                          |   |
| 7    | 3/8, 3/10, 3/12                                     | 12, 13                         | homework #3 due 3/10                              |   |
| 8    | <b>3/15, 3/17, 3/19</b>                             | <b>Spring Break</b>            |   |   |
| 9    | 3/22, 3/24, 3/26                                    | 14, 15                         | homework #4 assigned 3/22                         |   |
| 10   | 3/29, 3/31, 4/2                                     | 16, 18                         | homework #4 due 3/29                              | <b>exam 2, Friday 4/2, chapters 10-15</b>                 |
| 11   | 4/5, 4/7, 4/9                                       | 18, 21                         |   |   |
| 12   | 4/12, 4/14, 4/16                                    | 21, 23                         | homework #5 assigned 4/16                         |   |
| 13   | 4/19, 4/21, 4/23                                    | 24, 26                         | homework #5 due 4/23                              |   |
|      | <b>4/21 Honors Convocation &amp; Quest No Class</b> |                                |   |   |
| 14   | 4/26, 4/28, 4/30                                    | 26, 29 (563-8), 27             | homework #6 assigned 4/30                         | <b>exam 3, Wednesday 4/28 chapters 16, 18, 21, 23, 24</b> |
| 15   | 5/3, 5/5, 5/7                                       | 27, 29 (568-70)<br>28 (552-53) | homework #6 due 5/7                               |   |

**FINAL EXAM: Monday, May 10, 2-4 p.m.**

**The final exam is cumulative, with emphasis on the material covered after the 3<sup>rd</sup> exam**