



## FINA5334: Financial Institutions and Markets online Fall 2020

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**Course Website:** Access through Canvas: [uta.instructure.com](http://uta.instructure.com)

**Faculty Profile:** <https://www.uta.edu/profiles/david-rakowski>

**Office Hours (online):** online asynchronous by appointment.

**Section Information:** 050, 011, and 012.

**Time and Place of Class Meetings:** online, asynchronous. Work is self-paced with due dates given below. Course is active from October 26 to December 11.

### Description of Course Content

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An examination of major financial institutions and markets with emphasis on trends affecting the current operations, competitive position, and overall future of the primary financial intermediaries and the financial markets.

### Prerequisites

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FINA 5311

### Course Level Learning Objectives (CLOs)

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- CLO 1. Know the different types of financial markets and institutions.
- CLO 2. Be able to recognize or illustrate how interest rates are determined.
- CLO 3. Be able to recognize and compute different measures of returns, prices, time-to-maturity, interest rates, and liquidity.
- CLO 4. Know the characteristics of different types of financial securities.
- CLO 5. Know the major financial regulators in the USA and selected international examples.
- CLO 6. Be able to recognize the major financial statement items for different types of financial institutions.
- CLO 7. Be able to recognize the major types of risks faced by different financial markets and institutions and how those risks can be managed.
- CLO 8. Know the recent historical trends for major financial markets and institutions in the USA and how these differ from other major international economies.
- CLO 9. Be able to identify and recognize the characteristics of the major financial markets and institutions in the USA and other major international economies.
- CLO 10. Be able to describe the functions, structure, and tools of central banks.

## Module Learning Objectives (MLOs)

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### Module 1: Introduction and interest rates: Chapters 1, 2, and 3

MLO 1.1: Know the different types of financial markets and institutions. (CLO 1)

MLO 1.2: Be able to recognize or illustrate how interest rates are determined. (CLO 2)

MLO 1.3: Be able to recognize and compute different measures of returns, prices, time-to-maturity and interest rates. (CLO 3)

### Module 2: Fixed income markets: Chapters 5 and 6

MLO 2.1: Be able to identify the different types of bonds and their characteristics. (CLO 1 and CLO 4)

MLO 2.2: Be able to compute measures of bonds' values, yields, payments, and time to maturity. (CLO 3)

MLO 2.3: Be able to identify aspects of how modern bond markets evolved in the USA and other major markets. (CLO 8 and CLO 9)

### Module 3: Other security markets: Chapters 8 and 10

MLO 3.1: Be able to identify the different types of securities traded on stock and derivatives markets and their characteristics. (CLO 1 and CLO 4)

MLO 3.2: Be able to recognize measures of stocks and derivatives' values and liquidity. (CLO 3)

MLO 3.3: Be able to identify aspects of how modern stock and derivatives markets evolved in the USA and other major markets. (CLO 8 and CLO 9)

MLO 3.4: Be able to recognize the primary regulators of securities markets in the USA and major international markets. (CLO 5)

### Module 4: Investment banking and asset management: Chapters 16 and 17

MLO 4.1: Be able to recognize the major financial statement items for different types of asset management firms and investment banks. (CLO 6)

MLO 4.2: Be able to recognize the major types of risks faced by investment banks and asset management firms. (CLO 7)

MLO 4.3: Be able to identify the recent historical trends and characteristics for investment banks and asset management firms in the USA and how these differ from other major international economies. (CLO 8 and CLO 9)

MLO 4.4: Be able to identify the major regulators of brokers and asset management firms in the USA and selected international examples. (CLO 5, CLO 7)

MLO 4.5: Be able to recognize the securities traded by investment banks and asset management firms. (CLO 1, CLO 4, CLO 6)

### Module 5: Banking: Chapters 11 and 14.

MLO 5.1: Be able to recognize the major financial statement items for different types of banks. (CLO 6)

MLO 5.2: Be able to recognize the major types of risks faced by banks. (CLO 7)

MLO 5.3: Know the recent historical trends and characteristics for banks in the USA and how these differ from other major international economies. (CLO 8 and CLO 9)

MLO 5.4: Know the major bank regulators in the USA and selected international examples. (CLO 5)

Module 6: Risk management and securitization: Chapters 19 and 24

MLO 6.1: Be able to recognize the different types of risk faced by financial institutions. (CLO 7)

MLO 6.2: Be able to identify measures of risk on financial institutions' financial statements. (CLO 6, CLO 7)

MLO 6.3: Be able to identify the regulators who are responsible for monitoring the risk of financial institutions, both in the USA and other major markets. (CLO 5, CLO 8, CLO 9)

Module 7: Central banks and the financial system: Chapter 4

MLO 7.1: Be able to describe the functions and structure of the US Federal Reserve and other major central banks. (CLO 10)

MLO 7.2: Be able to describe the tools that central banks use to conduct monetary policy and other missions. (CLO 10)

### Textbooks and Other Course Materials

The course textbook and other materials are available on the McGraw-Hill CONNECT website: <http://connect.mheducation.com/class/d-rakowski-fina5334-spring2020>

The text is *Financial Markets and Institutions*, smart book on McGraw-Hill Connect. The smart book is an online textbook that monitors your progress and provides additional resources.

Please read the introduction to CONNECT given [here](#).

Some useful tips on using CONNECT are given [here](#).

The hard copy of the book is not required but may be useful: You can use the 7th edition by Anthony Saunders and Marcia Millon Cornett. McGraw-Hill/Irwin; ISBN-13: 978-0077861667 (other editions are also acceptable), by Anthony Saunders. Later editions are also acceptable.

Additional course materials will be provided on Canvas.

### Technical Requirements

Course materials are online via Canvas and CONNECT. Students should have adequate internet access and computer resources to stream online video files and to read or print materials from Canvas. This course will also make use of the Microsoft Excel spreadsheet program. It is essential for students to possess basic competency with this program in order to succeed in the class. If you are not comfortable with Excel then there are a multitude of videos and tutorials available online that you can practice with prior to the beginning of the course.

The technology required in this course includes:

- a computer to access the course
- speakers or headphones to listen to lectures
- a word processing software, such as Microsoft Word
- a data processing software, such as Microsoft Excel

Mozilla Firefox and Google Chrome are the recommended and supported browsers for this course.

The course also has the following options for system requirements:

- Windows Vista or higher

- Mac OSX 10.6 or higher

When meeting in online office hours, if you wish to talk instead of type, you will also need a microphone.

### Canvas Resources

For an introduction to the Canvas interface, please watch this [Canvas Overview video](#). For help with other features of Canvas, see [Getting Started as a Student](#) or the more comprehensive [Canvas Student Guide](#). You can access Canvas from a web browser or by downloading the free Canvas Student app on Android (Google Play) and iOS (iTunes) devices. If you run into any technical problems this semester, you can reach Canvas support from within Canvas by clicking on the Help icon (question mark) on the bottom of the left menu and selecting "Chat with Canvas Support (Students)" or "Canvas Support Hotline (Students)".

### Minimum Technical Skills

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In order to succeed in this course, there are some technical skills you must have.

These include:

- Using email and other forms of electronic communication.
- Creating and using files in Microsoft excel. Help with excel can be found at the [Microsoft support site](#), or <http://www.excel-easy.com/>; and there are numerous tutorial videos at [YouTube](#). We will be using the financial functions in particular so it would be useful to practice those.

### Course Organization

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The content of this course will be organized into 7 modules:

Module 1: Introduction and interest rates: Chapters 1, 2, and 3

Module 2: Fixed income markets: Chapters 5 and 6

Module 3: Other security markets: Chapters 8 and 10

Module 4: Asset management and investment banking: Chapters 16 and 17

Module 5: Banking: Chapters 11 and 14.

Module 6: Risk management: Chapters 19 and 24

Module 7: Central banks and the financial system: Chapter 4

Each module will cover one or more chapters from the textbook and will include readings, lectures, an online discussion board, analysis of supplementary financial reports, a practice homework, and an quiz to be graded. Each module is scheduled over a one-week period.

### Exams

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There will be one final project that counts as the final exam. The project will consist qualitative and quantitative analysis of financial risk management practices drawn from real-world examples. This will count for 35% of the overall course grade.

### Assignments

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This course will include 3 types of assignments: LearnSmart, Homeworks, and Quizzes.

**LearnSmart** refers to required readings in the online smart textbook. To get credit for these, simply read through the assigned chapters. LearnSmart automatically keeps track of your progress and will assign credit when you have viewed the required material.

There are LearnSmart assignments for all 7 modules, worth 10 points each, for a total of 70 points. This is equivalent to 7% of the overall course grade.

LearnSmart assignments are due by midnight on Wednesday of each week.

**Homeworks** are practice assignments. These include approximately 10 questions for each module. All resources are allowed on homeworks and multiple attempts are allowed. Use the homeworks to practice for each quiz.

There are homework assignments for all 7 modules, worth 10 points each, for a total of 70 points. This is equivalent to 7% of the overall course grade.

Homework assignments are due by midnight on Thursday of each week.

**Quizzes** are similar to homeworks in appearance but count for more points and only one attempt is allowed. Like homeworks, quizzes include approximately 10 questions per module. The questions on the quizzes will be similar to, but not the same as, the ones on the homeworks.

There are quizzes for all 7 modules, worth 50 points each, for a total of 350 points. This is equivalent to 35% of the overall course grade.

Quiz assignments are due by midnight on Sunday of each week.

### Participation and Discussion

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Students are required to post meaningful and helpful comments, questions, and discussion of the text, slides, practice quizzes, or other industry knowledge on each module discussion page. Helpful comments can include links and discussion of news articles pertaining to the topics that we cover in class each week. Useful comments can take the form of new posts or replies to existing posts. The full points will be earned for posts that include new information or links to new resources, that contain thoughtful analysis or insights regarding that information, are factually correct and consistent with the context of material from class, and are relevant concerning the topic being discussed. These criteria may be met through the sum of several different posts for the same module. Please do not post actual answers to any assignments (before they are due) in the discussion posts.

In addition to module discussion posts, each student is required to post an introductory video. This video should introduce yourself to the class. Please explain your background, as it pertains to this course, explain why you are taking this course, what you hope to learn from this course, and any concerns or special interests that you may have. Videos should be 1 to 3 minutes in length. Credit will be given for meaningful information that is presented, along with consideration of appropriate and effective formatting, presentation, setting, and quality. These do not need to be professional

cinema-quality films; they just need to be good enough for us to see you and understand what you are saying.

With 7 modules and one introductory video there will be 8 total participation items. These are worth 20 points each, for a total of 160 points. This is equivalent to 16% of the overall course grade.

Discussions are due by midnight on Saturday of each week.

## Grading

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Course performance will be evaluated as:

LearnSmart	10 points each times 7 =	70 points	(7%)
Homeworks	10 points each times 7 =	70 points	(7%)
Quizzes	50 points each times 7 =	350 points	(35%)
Participation	20 points each times 8 =	160 points	(16%)
Final Project:		350 points	(35%)
Total points		1000 points	(100%)

Students are expected to keep track of their performance throughout the semester and seek guidance from available sources (including the instructor) if their performance drops below satisfactory levels. The grading scale will be: A = 900 points and above; B = 800-899; C = 700-799; D = 600-699; F = below 600. The instructor will make every attempt to have assignments graded, with grades posted on Canvas, within a week of the assignment due date.

## Expectations for Out-of-Class Study

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Beyond the time required to view online course materials, students enrolled in this course should expect to spend at least an additional 9 hours per week of their own time in course-related activities, including additional reading, completing assignments, preparing for exams, etc.

## Working with other students

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You are welcome to work with other students on take-home assignments, with one condition: you must fully disclose who else you worked with (both students in this class and from outside class). You can add this information to any assignment when it is submitted or by emailing the instructor. This applies for any outside assistance that you receive regarding this class including tutors, spouses, online help forums, etc.

## Make-up Assignments

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Make-up assignments will generally not be permitted as all material is posted online in advance. The instructor will consider exceptions for extraordinary circumstances, especially when notified in advance.

## Grade Grievances

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Any appeal of a grade in this course must follow the procedures and deadlines for grade-related grievances as published in the current undergraduate / graduate catalog. For undergraduate courses, see <http://catalog.uta.edu/academicregulations/grades/#undergraduatetext> ; for graduate courses, see <http://grad.pci.uta.edu/about/catalog/current/general/regulations/#grade-grievances> .]

## Electronic Communication

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UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

The instructor will make every effort to respond to emails within 24 hours during the normal work week. Responses may take longer during weekends and holidays.

Etiquette expectations (sometimes called “netiquette”) for online discussions, email, and other forms of communication:

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When creating and replying in the discussion forum, you *must* follow the below guidelines.

- Review your work before you post.
- Make sure to present your ideas in a clear, logical order and in a non-threatening tone.
- To help convey tone, use popular emoticons such as 😊 (smiley face). But, be careful not to overuse them.
- Avoid writing in all capital letters as this conveys shouting.
- Use appropriate and non-offensive language. Additionally, slang, sarcasm, and abbreviations can be misunderstood.
- Respect others and their opinions. Disagree respectfully.
- Adhere to copyright rules and cite your sources.

When emailing your instructor or academic coach, you must follow the below guidelines:

- Always include the course name in the subject of your email
- Use appropriate language – no slang or abbreviations
- Emails are professional in manner, so no emoticons

## Institution Information

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UTA students are encouraged to review the below institutional policies and informational sections and reach out to the specific office with any questions. To view this institutional information, please visit the [Institutional Information](https://resources.uta.edu/provost/course-related-info/institutional-policies.php) page (<https://resources.uta.edu/provost/course-related-info/institutional-policies.php>) which includes the following policies among others:

- Drop Policy
- Disability Accommodations
- Title IX Policy
- Academic Integrity
- Student Feedback Survey
- Final Exam Schedule

## Student Support Services

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UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include tutoring, major-based learning centers, developmental education, advising and mentoring, personal counseling, and federally funded programs. For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to [resources@uta.edu](mailto:resources@uta.edu), or view the information at [www.uta.edu/resources](http://www.uta.edu/resources).

### OIT Help Desk

The OIT Help Desk is your first stop for meeting most of your computing needs. Help Desk provides support to UTA students, faculty, and staff by phone, e-mail, walk-in, and LiveSupport - live web chat session. Some types of support you may seek from them include help with your password, NetID, and MavMail.

*Email:* [helpdesk@uta.edu](mailto:helpdesk@uta.edu)

*Call:* 817.272.2208

*Website:* <http://www.uta.edu/oit>

<p><b>Emergency Phone Numbers:</b> In case of an on-campus emergency, call the UT Arlington Police Department at <b>817-272-3003</b> (non-campus phone), <b>2-3003</b> (campus phone). You may also dial 911. Non-emergency number 817-272-3381</p>
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## Course Schedule (subject to change)

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Monday, October 26<sup>th</sup>: Course starts.

### Module 1:

Wednesday, October 28<sup>th</sup>, end of day: LearnSmart reading assignment 1 due

Thursday, October 29<sup>th</sup>, end of day: Homework 1 due

Saturday, October 31<sup>st</sup>, end of day: Discussion 1 due

Sunday, November 1<sup>st</sup>, end of day: Quiz 1 due

### Module 2:

Wednesday, November 4<sup>th</sup>, end of day: LearnSmart reading assignment 2 due

Thursday, November 5<sup>th</sup>, end of day: Homework 2 due

Saturday, November 7<sup>th</sup>, end of day: Discussion 2 due

Sunday, November 8<sup>th</sup>, end of day: Quiz 2 due

### Module 3:

Wednesday, November 11<sup>th</sup>, end of day: LearnSmart reading assignment 3 due

Thursday, November 12<sup>th</sup>, end of day: Homework 3 due

Saturday, November 14<sup>th</sup>, end of day: Discussion 3 due

Sunday, November 15<sup>th</sup>, end of day: Quiz 3 due

### Module 4:

Wednesday, November 18<sup>th</sup>, end of day: LearnSmart reading assignment 4 due

Thursday, November 19<sup>th</sup>, end of day: Homework 4 due

Saturday, November 21<sup>st</sup>, end of day: Discussion 4 due

Sunday, November 22<sup>nd</sup>, end of day: Quiz 4 due

### Module 5:

Wednesday, November 25<sup>th</sup>, end of day: LearnSmart reading assignment 5 due

Thursday, November 26<sup>th</sup>, end of day: Homework 5 due

Saturday, November 28<sup>th</sup>, end of day: Discussion 5 due

Sunday, November 29<sup>th</sup>, end of day: Quiz 5 due

### Module 6:

Wednesday, December 2<sup>nd</sup>, end of day: LearnSmart reading assignment 6 due

Thursday, December 3<sup>rd</sup>, end of day: Homework 6 due

Saturday, December 5<sup>th</sup>, end of day: Discussion 6 due

Sunday, December 6<sup>th</sup>, end of day: Quiz 6 due

### Module 7:

Wednesday, December 9<sup>th</sup>, end of day: LearnSmart reading assignment 7 due

Thursday, December 10<sup>th</sup>, end of day: Homework 7 due

Friday, December 11<sup>th</sup>, end of day: Discussion 7 due

Saturday, December 12<sup>th</sup>, end of day: Quiz 7 due

Final Group Project:

Due Saturday, December 12<sup>th</sup>, end of day