

**Instructor:** Jonathan Breazeale, Ph.D.  
**Office:** Smith-Hutson Business Building - 200G  
**Office Hours:** Tuesday & Thursday, 7:00 – 8:00 AM, 12:30-4:00 PM  
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**Office Phone:** (936) 294-3568

**Course Objective:** At the end of the course, the student will know fundamental principles, generalizations, or theories; learn to apply course material; and gain factual knowledge. This course will explore the structure of the financial system with emphasis on the role, operations, and regulations of financial institutions and markets. The nature, participants, instruments, and relationships of the money and capital markets will be examined.

**Prerequisites:** None

**Required Course Materials:**

1. Text: Mishkin & Eakins, *Financial Markets and Institutions*, 5<sup>th</sup> ed., Addison Wesley, 2006.
2. Financial Calculator (*highly* recommended): Any financial calculator will do, but I recommend the HP 10BII or the TI BAII Plus. You are responsible for understanding how to operate it. Calculator manuals are not authorized references for exams. PDAs with calculator functions are prohibited, & you may not share a calculator with other students.
3. Wall Street Journal (recommended). The topics we discuss are extremely relevant in terms of current events. Feel free to bring articles to class for discussion that you find particularly poignant or interesting.

**Instructor Availability:** I am in my office during the stated office hours. If it is impossible to make my office hours, an appointment should be made ahead of time. Do not come to office hours and expect to be re-taught material covered in class. You are expected to make an attempt to understand the material outside of class before coming for assistance. I highly recommend that you email prior to coming to the office – *even during office hours*.

**Academic Dishonesty:** All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain honesty and integrity in the academic experiences both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including but not limited to, cheating on an examination or other academic work which is to be submitted, plagiarism, collusion and the abuse of resource materials. For a complete listing of the university policy, see: <http://www.shsu.edu/administrative/faculty/sectionb.html#dishonesty>

**Americans with Disabilities Act:** SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: no accommodation can be made until you register with the Counseling Center. For more information, visit the following URL: <http://www.shsu.edu/students/guide/dean/disabilities.html>.

**Policy Regarding Student Absences on Religious Holy Days:** Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For more information, visit the following web address: [http://www.shsu.edu/~vaf\\_www/aps/documents/861001.pdf](http://www.shsu.edu/~vaf_www/aps/documents/861001.pdf).

**Visitors in the Classroom:** Only registered students may attend class. Students wishing to audit a class must apply to do so through the Registrar's Office.

**Attendance:** Attendance is required and will be taken each scheduled class period. Unauthorized absence(s) of 6 hours or more **for any reason** will result in a letter grade of “F” for your final course grade. Six hours is equivalent to four and one-half (4.5) class periods. **YOU** are responsible for tracking your own attendance. I will not give you a running tally. Tardiness is considered rude to both the instructor and to fellow students. At the sole discretion of the instructor, students who are chronically late will receive additional reductions in their grade. For more information regarding class attendance, see the University’s Academic Policy Statement 800401, (revised December 1, 2004) at [http://coba.shsu.edu/~vaf\\_www/aps/documents/800401\\_001.pdf](http://coba.shsu.edu/~vaf_www/aps/documents/800401_001.pdf).

**Classroom Points:**

1. The only consumable item allowed in the classroom is bottled water in a container with a screw-on cap.
2. No other beverages, food, or use of tobacco products is allowed in the classroom.
3. Please turn off cell phones, pagers and any other noise producing instruments prior to the start of class.

**Assessment & Grading:**

1. Grades in this course are curved. This means that your final grade will be determined by how you perform in relation to the performance of your classmates. As such, statistics of each graded exercise will be provided to the class once grades have been recorded.
2. Exams -
  - a. There will be 4 exams - each comprising 20% of your total score. The final exam is comprehensive. If your grade on your final examination is higher than the weighted average of all four exam scores, your grade on the final exam will count 50% of your total score, and the remaining 3 exams will comprise 10% each. If attendance at an exam is 100%, the exam will be reviewed in class. You may not keep exams.

**Grade Scenario A**

|                 |     |
|-----------------|-----|
| Exam 1.....     | 20% |
| Exam 2.....     | 20% |
| Exam 3.....     | 20% |
| Exam 4.....     | 20% |
| Book Report.... | 20% |

**Grade Scenario B**

|                 |     |
|-----------------|-----|
| Exam 1.....     | 10% |
| Exam 2.....     | 10% |
| Exam 3.....     | 10% |
| Exam 4.....     | 50% |
| Book Report.... | 20% |

- b. Exams will be administered during normal class hours on the dates stated below. Students arriving late to class on days of an exam will not be allowed to take the test if they arrive after the first student has turned in the exam. In such an instance, a grade of zero will be recorded.
  - c. Make up exams will be considered if (1) you contact me prior to the exam, and (2) provide documentation that your absence is a university approved excuse (i.e. a religious holy day). If the absence does not meet both of these two criteria, the exam grade will be zero.
3. Book Report – One book report is required during the semester. This requirement will comprise 20% of your total score for the course. See appendix A for details on this requirement.
4. If you believe that any of your work is graded or recorded incorrectly, you may submit a written request (email is ok) for review within one week of the time the graded work is returned in class. Any request that is turned in after this deadline will not be considered. The entire submission will be graded again.
5. No incomplete grades will be assigned for marginal or failing grades at the end of the semester.
6. There will be no extra credit work available to improve your final grade.
7. *Do not attempt to negotiate grades with me at the end of the semester.*

**Important Dates:**

|                              |                                |
|------------------------------|--------------------------------|
| Exam #1 .....                | Tuesday, February 12           |
| Book Selection Letter.....   | Tuesday, February 28           |
| Exam #2 .....                | Thursday, March 6              |
| Exam #3 .....                | Tuesday, April 8               |
| Book Report .....            | Tuesday, April 29              |
| Book Presentation .....      | _____ , _____                  |
| Exam #4 (Comprehensive)..... | Thursday, May 15; 8:00 – 10:00 |

**My Score:**

|       |
|-------|
| _____ |
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| _____ |

**Instructor Discretion:** I reserve the right to deviate from this syllabus at my sole discretion.

**Conflict with College or University Policy or State Law:** In the event of a conflict between this syllabus and the policies and procedures of the College or University, or the laws of the State of Texas, the policies and procedures of the College or University or the laws of the State of Texas shall control.

**Appendix A**  
**Book Report**

Twenty percent (20%) of your course grade will be derived from a series of three (3) graded submissions based upon the reading of a book. The purpose of this appendix is to set forth guidance for this requirement.

**Suggested Topics:** Your book must be written by a practitioner and can be on any topic within the field of Financial Markets & Institutions; however, I *briefly* offer the following areas as ones which might peak your interest:

- Auctions
- Eurobond Market
- 1980s Savings & Loan Crisis
- Federal Reserve Chairman
- Exchange Traded Funds (ETFs)
- Money Market Mutual Funds
- Sub-Prime Lending Crisis of 2007
- Secondary Mortgage Market Failure of 2007
- Fed bailout of Long Term Capital Management
- Social Security
- The Insurance Industry
- The Mortgage Industry
- Electronic Communication Network (ECN) Trading

I strongly recommend that, unless your book is historical in nature, that you choose a recently published book.

1. **Book Selection:** A typed letter indicating your book selection is due to me by *the start of class on February 28th*. “Start of class” is defined as the moment in which I call the first name on the roll as attendance is taken. Prior to this submission deadline, you must have met with me during regular office hours to discuss your book selection. You must bring a copy of your proposed book to our meeting in order to receive approval, and approval is on a first-come, first-served basis. No two students will be allowed to submit work on the same book. Submissions received after *the start of class on February 28th* will not be accepted, and a grade of zero will be recorded for the selection requirement. Submissions received via email will not be accepted. Only hardcopies are allowed.
2. **Written Requirement:** Your written submission is due at the beginning of class on *April 29<sup>th</sup>*. Submissions received after *the start of class on April 29<sup>th</sup>* will not be accepted, and a grade of zero will be recorded for the written requirement. Submissions received via email will not be accepted. Only hardcopies submissions are allowed. There is no requirement for length, but your paper needs to be short enough to be interesting and long enough to cover what it needs to cover. Your paper should contain five sections:
  - (1) Introduction – MOTIVATE your paper. Why did you select this book? What did you find most interesting? Give me a summary of what is to come in your write-up.
  - (2) Summary – Provide a narrative of what the author is saying.
  - (3) How the Financial Principles Described in the Text Relate to the Topics We’ve Discussed in Class – Describe how the book agrees or disagrees with the principles we discuss in class. Perhaps your book simply goes into more detail than our discussions – in which case review our class materials and tell me where the author goes from there.
  - (4) Opinion of the Book – What do you think about the message that the author is trying to get across.
  - (5) Conclusion – Summarize the main points of your paper.
3. **Individual Presentation:** You will be required to make a presentation to the class on your book. You may use PowerPoint, handouts, or any other audio or visual aid that you believe helps the class understand what the author of the book is saying and understand your thoughts on and analysis of the book. The order in which individual presentations occur will be determined by random draw, but please note that all written submissions are due at the *start of class on April 29<sup>th</sup>* – regardless of the date on which you present your book to the class.

\*Note: Information contained within all individual presentations is testable on the comprehensive final exam.

**Grading:** The entire project (Selection, Written Submission and Presentation) will be graded on a 100 point scale. Your book selection is worth 10 points, your class presentation is worth 40 points and your written submission is worth 50 points.