FINANCE 408
FINANCIAL MARKETS AND INSTITUTIONS
FALL 2002

Section 002  M W F  12:20 – 1:10 p.m.  106 Boucke Building
Section 003  M W F  1:25 – 2:15 p.m.  106 Boucke Building

Instructor: Linda L. Miles
Office: 601G Business Administration Building
Telephone: 814-865-0616
E-mail Addresses:
Correspondence: LLMiles@psu.edu
Assignments: fin408@yahoo.com
Office Hours: Mondays 2:15 – 3:15 p.m.
Wednesdays 10:00 a.m. – noon
and by appointment

Course Web Site: http://www.courses.psu.edu/fin/fin408_llm162

Textbook Web Site: http://wps.aw.com/aw_mishkin_finmkts_4

Design of the Course: Finance 408 provides a comprehensive survey of the major financial markets in the United States and abroad. Important structural features of these markets are analyzed, as well as the interactions among financial markets, financial intermediaries, corporations, and governments.

Requirements:
The Wall Street Journal

Calculator is required, financial calculator is strongly recommended

Each student is responsible for the material in the textbook, not all of which will be covered in class. There will be homework assignments from the textbook and the textbook web page. All assignments will be posted on the course web page. Students are expected to read and be prepared to discuss relevant articles appearing in The Wall Street Journal the two days prior to each class session. A subscription to The Wall Street Journal is recommended; those who choose not to subscribe can access it online via the library’s link to Dow Jones Interactive, or read the paper version in the library.

Grading: The course grade is based on four exams, homework assignments, quizzes and group projects. The lowest score of the four exams will be dropped. See the relevant section below for further information about each component of the course grade. The point allocations are as follows:

- Exams (4 exams, each 15% of course grade, lowest score dropped) 45% of course grade
- Homework (see Homework Assignments below) 25% of course grade
- Quizzes (online, see Quizzes below) 10% of course grade
- Group Work (see Group Work below) 20% of course grade

The overall distribution of grades remains the sole prerogative of the instructor.
**Exams:** The exams are not cumulative. Each exam contains only the information covered since the previous exam. Each counts as 15% of the course grade. The lowest score of the four exams will be dropped. All exams are during class periods. Attendance is mandatory on exam dates. There are no make-up exams. Exam dates are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Exam</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 25</td>
<td>Wednesday</td>
<td>Exam 1</td>
</tr>
<tr>
<td>October 23</td>
<td>Wednesday</td>
<td>Exam 2</td>
</tr>
<tr>
<td>November 15</td>
<td>Friday</td>
<td>Exam 3</td>
</tr>
<tr>
<td>December 13</td>
<td>Friday</td>
<td>Exam 4</td>
</tr>
</tbody>
</table>

**Homework Assignments:** Homework will be assigned on a regular basis. Assignments will be posted on the course web page with the due date indicated and the required method of submission. Some assignments will be handed in as hard copy in class; others will be via the web. Assignments may be turned in early, but late assignments will not be accepted. Homework assignments will be from both the textbook and the textbook web site.

**Quizzes:** The textbook web site provides a quiz for each chapter. The average of each student’s 20 highest chapter quiz grades will comprise her/his quiz score for the course. After taking the quiz, click ‘Submit Answers for Grading’. This opens a page showing the corrected quiz. At the bottom of the page is a gray box entitled ‘Routing Information’. Enter your name and check the box to have a copy of the results e-mailed to yourself as well as to your instructor. Send as text. The e-mail address for quizzes for this course is fin408@yahoo.com. Each student may submit only one quiz per chapter. Save the e-mail copy sent to you in your course folder in the event of any discrepancy. All quizzes must be submitted no later than the day prior to the exam on the respective chapter.

**Group Work:** By September 9 (after the late add period), groups will be formed. Groups will remain the same throughout the semester. Group work will include one case (10%) and two assignments from the Online Reader section of the textbook web site (5% each). The assignments from the Online Reader will be presented to the class, with half the grade based on the presentation and the other half on the responses completed online and e-mailed to fin408@yahoo.com. The responses must be completed no later than the day prior to the class presentation. Each member of the group is expected to participate in the presentations.

**Course Web Site:** [http://www.courses.psu.edu/fin/fin408_llm162](http://www.courses.psu.edu/fin/fin408_llm162) Abbreviated PowerPoint notes, schedules, assignments, announcements and course information will be disseminated via the course web page. Students are responsible for checking the site regularly for these communiqués.

**Textbook Web Site:** [http://wps.aw.com/aw_mishkin_finmkt_4](http://wps.aw.com/aw_mishkin_finmkt_4) The textbook chosen for this course provides an extensive web site for students. It is recommended that you familiarize yourself with the site early in the semester. The online quizzes that comprise 10% of the course grade are on this site, as are the Online Reader that contains selections that will be assigned for group work. Some homework assignments will be from this site. The online glossary is a valuable tool.

**No Class:** September 2 (Monday) – Labor Day  
October 14 (Monday) – Penn State fall break  
October 18 (Friday) – Financial Management Association conference in San Antonio  
November 29 (Friday) – Penn State Thanksgiving break

**Note:** Class will be held Friday, October 11; Wednesday, October 16; and Wednesday, November 27.
**Makeup Policy:** Exams are required; students must attend on the dates indicated at their assigned class time. Makeup exams will be given only for just cause, with adequate documentation, as determined by the instructor in accordance with University policy. In the case of a valid emergency causing an absence from an exam, the student must contact the instructor prior to the exam by e-mail or telephone (answering machine always available). If a message cannot be left for the instructor beforehand, the student will be responsible for notification as soon as possible after the emergency.

**Academic Integrity:** According to the Penn State Principles and University Code of Conduct:

> Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. In accordance with the University’s Code of Conduct, you must not engage in or tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, punitive action will be taken. For every incident when a penalty of any kind is assessed, a report must be filed, using the pdf form at this URL: https://intranet.smeal.psu.edu/smeal/integrity/index.html This form is used for both undergraduate and graduate courses. This report must be signed by both the instructor and the student, and then submitted to the Associate Dean for Undergraduate Programs (Dave.Christy@psu.edu).

**Affirmative Action & Sexual Harassment:** The Pennsylvania State University is committed to a policy that all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Direct all inquiries to the Affirmative Action Office, 211 Willard Building.

**Americans with Disabilities Act:** The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, please contact us in advance of your participation or visit. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to Finance courses should be arranged by contacting the Department of Finance Office: (814) 863-0486.

**An Invitation to Students with Learning Disabilities:** It is Penn State’s policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need for modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building, 863-1807) that describes the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the Student Guide to University Policies and Rules.

**Deferred (DF) Grades:** Students in undergraduate courses in the Smeal College should not be given a deferred grade without written consent of Associate Dean Dave Christy. Faculty should please submit requests or questions via e-mail.

- This consent is routinely given for the following reasons: 1) a personal or family emergency that occurs late in the semester and prevents a student from attending the final exam or submitting a paper. (e.g. serious automobile accidents, student requires significant medical care, or death of a family member.) or 2) attendance at a University-approved event prevents completion of the final exam as scheduled (e.g. NCAA volleyball championship tournament). There may be additional extraordinary reasons that will be approved.

- The following reasons are not acceptable: 1) The student seeks additional time to finish a project/paper or prepare for an exam due to a course overload, because they changed project topics, or because they failed to plan sufficient time to complete the work. The instructor must assign a grade based upon whatever is submitted in time to meet the final grade submission deadline; 2) The student is earning an F, (or a D in a ‘C’ required course) and wants time to complete additional work with the hope that this will result in a higher grade. The instructor must assign the correct grade in time to meet the final grade submission deadline.