

MIDSTATE COLLEGE
411 W. NORTHMOOR RD. PEORIA, IL 61614
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FALL 2008

Course number and Name: BUS 240 Introduction to Financial Institutions Management
Credit hours: 4 quarter hours **Method of Delivery:** eLearning

Course Description:

A study of the functions of management within financial institutions. Students will understand the objectives, policies, functions, problems, and interpersonal relationships as they relate to branch management.

Prerequisite(s): BUS 106 Introductions to Business
ACC 101 Financial Accounting I

Text(s): Financial Markets and Institutions, 8th Edition

Author(s): Jeff Madura

Publisher: Thomson South-Western 2008, ISBN-13: 978-0-324-56822-6

Materials needed for this course: Calculator

Topics:

- 1.) Financial Environment
- 2.) Fed and Monetary Policy
- 3.) Debt Security Markets
- 4.) Equity Markets
- 5.) Derivate Security Markets
- 6.) Commercial Banking
- 7.) Nonbank Operations

Learning Objectives: Upon completion of this course, the student will be able to:

- 1.) Define the role of financial markets and institutions and be able to determine structure and compute interest rates.
- 2.) Relate what the functions of the Federal Reserve Board is and how there functions help prepare the monetary policy.
- 3.) Demonstrate their knowledge of money and bond markets and be able to use information to determine bond valuation, potential gains or losses.
- 4.) Apply knowledge learned about equity markets and market microstructure and be able to distinguish between an effective or ineffective marketing strategy for the equity markets.
- 5.) Subdivide and diagram key points within the derivate security markets which include financial futures, options, interest rates, and foreign exchanges.
- 6.) Summarize background history on Commercial Banking operations and be able to discuss the vital branches which include bank regulation, bank management, and bank performance.

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- 7.) Explain what nonbank operations are including thrift, finance, mutual funds, securities, and operations and how they interrelate within overall banking operations.

Midstate Grading Scale:

90-100	A
80-89	B
70-79	C
60-69	D
0-59	F

Midstate Plagiarism Policy:

Matters related to academic honesty or contrary action such as cheating, plagiarism, or giving unauthorized help on examinations or assignments may result in an instructor giving a student a failing grade for that academic effort and also recommending the student be given a failing grade for the course and/or be subject to dismissal.

Plagiarism is using another person's words without giving credit to the author. Original speeches, publications, and artistic creations are sources for research. If you use the author's words in your papers or assignments, you must acknowledge the source. Plagiarism is strictly against the academic policy of the College and is grounds for failing the course. If repeated, plagiarism may result in suspension from the College.

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Office hours: Scheduled upon request

Participation Requirements: Students taking this course through web-based program must participate by posting to the Weekly Discussion Forum at least twice a week responding to discussion questions and actively participate with classmates. Weekly attendance will figure into final course grade.

Policies and Procedures: No make-ups are allowed on any assignments unless arrangements have been made with the instructor before they are given. Make-up assignments will be allowed only in emergency circumstances and will be determined by the instructor. Assignments and projects handed in late will be dropped 10% for each day late. Therefore, students should make every effort to hand in material as assigned. Students are expected to read assigned material before class discussion of material. All assignments are subject to change upon advance notice by the instructor.

Methods of evaluating student performance: The objectives will be measured as the student completes Point-Counter-Point Exercises, chapter Question and Application Exercises, Weekly Discussion Summaries and Integrative Problems. Weekly attendance and participation will also count towards the final course grade.

Examination Information: No examinations are currently scheduled for course.

Instructor’s Grading Scale: Grades for the class are determined on a point basis:

Weekly Attendance	=	24 points
Weekly Discussion Summaries	=	24 points
Point-Counter-Point Exercises	=	50 points
Chapter Question and Application Exercises	=	75 points
Integrative Problems	=	26 points

Course Schedule

Week 1	November 12	through	November 18
Week 2	November 19	through	November 25
Week 3	November 26	through	December 2
Week 4	December 3	through	December 19
Week 5	December 10	through	December 16
Week 6	December 17	through	December 23
Week 7	January 7	through	January 13
Week 8	January 14	through	January 20
Week 9	January 21	through	January 27
Week 10	January 28	through	February 3
Week 11	February 4	through	February 10
Week 12	February 11	through	February 17

Week One: Welcome
 Review of syllabus
 Read Chapter 1: “Role of Financial Markets and Institutions”
 Complete Point-Counter-Point on page 20
 Complete Chapter 1 Questions and Applications on page 21
 (numbers 1 through 15 only)
 Complete Weekly Discussion Summary

Week Two: Read Chapter 2: “Determination of Interest Rates”
 Complete Point-Counter-Point on page 39
 Complete Chapter 2 Questions and Applications on pages 39 and 40
 (numbers 1 through 10 only)

Read Chapter 3: “Structure of Interest Rates”
 Complete Point-Counter-Point on page 66
 Complete Chapter 3 Questions and Applications on pages 66 and 67
 (numbers 1 through 13 only)
 Complete Weekly Discussion Summary

Week Three: Read Chapter 4: “Functions of the Fed”
 Complete Point-Counter-Point on page 87
 Complete Chapter 4 Questions and Application on page 87

Read Chapter 5: “Monetary Policy”
Complete Point-Counter-Point on pages 108 and 109
Complete Chapter 5 Questions and Applications on page 109
(numbers 1 through 13 only)
Complete Weekly Discussion Summary

Week Four: Read Chapter 6: “Money Markets”
Complete Point-Counter-Point on page 137
Complete Chapter 6 Questions and Applications on pages 137 and 138
(numbers 1 through 13 only)

Read Chapter 7: “Bond Markets”
Complete Point-Counter-Point on page 164
Complete Chapter 7 Questions and Applications on page 164
(numbers 1 through 14 only)

Read Chapter 8: “Bond Valuation and Risk”
Complete Point-Counter-Point on page 188
Complete Chapter 8 Questions and Applications on page 189
(numbers 1 through 16 only)
Complete Weekly Discussion Summary

Week Five: Read Chapter 9: “Mortgage Markets”
Complete Point-Counter-Point on page 222
Complete Chapter 9 Questions and Applications on pages 222 and 223
(numbers 1 through 15 only)

Read Chapter 10: “Stock Offerings and Investor Monitoring”
Complete Point-Counter-Point on page 260
Complete Chapter 10 Questions and Applications on page 260
(numbers 1 through 16 only)
Complete Weekly Discussion Summary

Week Six: Read Chapter 11: “Stock Valuation and Risk”
Complete Point-Counter-Point on page 293
Complete Chapter 11 Questions and Applications on page 294
(numbers 1 through 17 only)
Complete Part 3 Integrative Problem “Asset Allocation” on page 225
Complete Weekly Discussion Summary

Week Seven: Read Chapter 12: “Market Microstructure and Strategies”
Complete Point-Counter-Point on page 328
Complete Chapter 12 Questions and Applications on page 329
(numbers 1 through 10 only)

Read Chapter 13: “Financial Futures Markets”
Complete Point-Counter Point on page 359
Complete Chapter 13 Questions and Applications on page 360
(numbers 1 through 17 only)
Complete Weekly Discussion Summary

Week Eight:

Read Chapter 14: “Options Markets”
Complete Point-Counter Point on page 389
Complete Chapter 14 Questions and Applications on page 389
(numbers 1 through 10 only)

Read Chapter 15: “Interest Rate Derivative Markets”
Complete Point-Counter Point on page 422
Complete Chapter 15 Questions and Applications on page 423
(numbers 1 through 14 only)
Complete Weekly Discussion Summary

Week Nine:

Read Chapter 16: “Foreign Exchange Derivative Markets”
Complete Point-Counter Point on page 449
Complete Chapter 16 Questions and Applications on pages 449 and 450
(numbers 1 through 11 only)

Read Chapter 17: “Commercial Bank Operations”
Complete Point-Counter Point on page 495
Complete Chapter 17 Questions and Applications on page 496
(numbers 1 through 13 only)

Read Chapter 18: “Bank Regulation”
Complete Point-Counter Point on page 518
Complete Chapter 18 Questions and Applications on page 518
(numbers 1 through 19 only)
Complete Weekly Discussion Summary

Week Ten:

Read Chapter 19: “Bank Management”
Complete Point-Counter Point on page 547
Complete Chapter 19 Questions and Applications on pages 547 and 548
(numbers 1 through 20 only)

Read Chapter 20: “Bank Performance”
Complete Point-Counter Point on page 566
Complete Chapter 20 Questions and Applications on pages 566 and 567
(numbers 1 through 12 only)
Complete Weekly Discussion Summary

Week Eleven: Read Chapter 21: “Thrift Operations”
 Complete Point-Counter Point on page 598
 Complete Chapter 21 Questions and Applications on pages 598 and 599
 (numbers 1 through 19 only)

 Read Chapter 22: “Finance Operations”
 Complete Point-Counter Point on page 610
 Complete Chapter 22 Questions and Applications on page 611
 (numbers 1 through 10 only)

 Read Chapter 23: “Mutual Fund Operations”
 Complete Point-Counter Point on page 646
 Complete Chapter 23 Questions and Applications on page 647
 (numbers 1 through 16 only)
 Complete Weekly Discussion Summary

Week Twelve: Read Chapter 24: “Securities Operations”
 Complete Point-Counter Point on page 670
 Complete Chapter 24 Questions and Applications on pages 670 and 671
 (numbers 1 through 15 only)

 Read Chapter 25: “Insurance and Pension Fund Operations”
 Complete Point-Counter Point on page 698
 Complete Chapter 25 Questions and Applications on pages 698 and 699
 (numbers 1 through 24 only)
 Complete Part 7 Integrative Problem: “Assessing the Influence of
 Economic Conditions across a Financial Conglomerate’s Units”
 Complete Weekly Discussion Summary