Instructor Information

Instructor  
David Schimizzi, CFA  
M.S. Economics, UNC-CH 2005  
M.B.A., UNCC 2013

Email  
dschimiz@uncc.edu

Office Location & Hours  
Virtual  
Mondays 8:00pm-8:30pm  
Thursdays 8:00pm-8:30pm

General Information

Description

*From UNCC’s Undergraduate Catalog:* A study of financial institutions and money and capital markets, and the role of financial institutions in the intermediation process. Special emphasis is on the comparative financial policies of financial institutions considered in the context of their market environments.

Prerequisites

FINN 3132, MATH 1101, MATH 1120, STAT 1220, ACCT 2121, ACCT 2122, ECON 2101, ECON 2102, and INFO 2130

Course Objectives

1. Identify the roles of financial institutions and financial markets participants including but not limited to:
   a. Depository commercial bank
   b. Clearing House
   c. Central Bank
2. Identify how various parts of financial markets and their products interact
3. Identify and calculate/estimate the impacts of regulation and regulatory rules on participants in financial markets

Course Materials

Required Materials

You will need to have a calculator of some type - that is not on a smart phone or a laptop - that can handle a fair amount of precision. A financial calculator, such as the two below, is allowed though not required.

Texas Instrument BA II & BA II Plus
HP 12c Platinum Financial Calculator
Optional Materials
It is highly recommended that you remain up to date on current events in financial markets, banking, and economic events. Below are a list of periodical publications and news sources that are not required, but you are highly encouraged to use them or similar sources to keep apprised of current events and how they impact financial institutions and markets.

- *The Economist*
- *Financial Times*
- [www.bloomberg.com](http://www.bloomberg.com)
- [www.reuters.com](http://www.reuters.com)
- *The Wall Street Journal*

Required Text

Office Hours
Office hours will be held on Mondays at 8:00pm-8:30pm and Wednesdays at 7:30pm-8:00pm. Extra credit will be offered to students who join from the beginning for the entire time. I will allow the opportunity for students to drive these sessions with questions. In lieu of having enough questions to fill the time, I can run through sample problems or real-world examples of what we are covering.

Course Schedule
The schedule for the course is tentatively set according to the table below. This will be subject to revision, which will be announced in virtual sessions and posted to Canvas as pacing dictates.

Quizzes
Quizzes will be held virtually through Canvas. These are formative assessments that provide feedback to you on how you are progressing in the class. You will be given up to 3 points towards the next midterm exam for completing all of them, and you may earn up to an additional 3 points based on your score. You will be allowed three attempts.

Exam Schedule, Grading, and Policy (Subject to change and method of delivery)

- 21-Sep-2021: Mid-Term Exam I
- 19-Oct-2021: Mid-Term Exam II
- 7-Dec-2021: Mid-Term Exam III
- 14-Dec-2021 2:00p - 4:30p: Final Exam (cumulative)
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic/Notes</th>
<th>Reading</th>
<th>Quiz/Exam</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-Aug</td>
<td>-Introduction</td>
<td></td>
<td>Markets &amp; The Fed</td>
</tr>
<tr>
<td></td>
<td>-The Fed and Interest Rates</td>
<td>Ch. 2 (#2, 5 (“What” is the FOMC?), 7, 8)</td>
<td></td>
</tr>
<tr>
<td>31-Aug</td>
<td>-The Fed and Interest Rates</td>
<td>KBWS - Ch. 3 (# 2-5, 10, 14)</td>
<td>Quiz 1</td>
</tr>
<tr>
<td></td>
<td>-Interest Rates, FX, The Economy, and Financial Markets</td>
<td>Ch. 4 (#2-5, 9, 21, 22)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-International Financial Markets and FX Products</td>
<td>Ch.12 (#1-3, 8, 13, 17, 19, 20)</td>
<td></td>
</tr>
<tr>
<td>7-Sep</td>
<td>-Bond Prices and Interest Rate Risk</td>
<td>KBWS - Ch. 5 (#1-4 (all similar), 8, 12, 13-15, 16, 20)</td>
<td>Quiz 2</td>
</tr>
<tr>
<td></td>
<td>-Interest Rates - Bootstrapping, Spots, and Forwards</td>
<td>Ch. 6 (#7, 11, 15, 17, 18)</td>
<td></td>
</tr>
<tr>
<td>14-Sep</td>
<td>-Interest Rates - Bootstrapping, Spots, and Forwards</td>
<td>KBSW - Ch. 6 (#7, 11, 15, 17, 18)</td>
<td>Quiz 3</td>
</tr>
<tr>
<td></td>
<td>-Review Materials for Midterm 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-Sep</td>
<td>-Midterm Exam 1</td>
<td>KBSW - Ch. 1-6, 12</td>
<td>Midterm Exam 1</td>
</tr>
<tr>
<td></td>
<td>-Money Markets and Debt Markets</td>
<td>KBSW - Ch. 7 (#1, 4, 5, 7, 8)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Commercial Banking</td>
<td>Ch. 8 (#2-4, 6, 8, 12)</td>
<td></td>
</tr>
<tr>
<td>28-Sep</td>
<td>-Midterm Exam I Review</td>
<td>KBSW - Ch. 8</td>
<td>Quiz 4</td>
</tr>
<tr>
<td></td>
<td>-Bond Markets</td>
<td>Ch. 9 (#2-4, 7, 8, 12, 15)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-MBS, CMOs, CDOs, and CDO-Squareds2</td>
<td>Ch. 10 (#2-5, 7-9)</td>
<td></td>
</tr>
<tr>
<td>5-Oct</td>
<td>-Equity Markets</td>
<td>KBSW - Ch. 10 (#2-5, 7-9)</td>
<td>Quiz 5</td>
</tr>
<tr>
<td></td>
<td>-Derivatives - Equity, Fixed income, Currency, and Commodity Markets</td>
<td>Ch. 11 (#1, 2, 5-8, 10-13)</td>
<td></td>
</tr>
<tr>
<td>12-Oct</td>
<td>NO CLASS - FALL RECESS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19-Oct</td>
<td>-Midterm Exam 2</td>
<td>KBSW Ch. 7-10</td>
<td>Midterm Exam 2</td>
</tr>
<tr>
<td></td>
<td>-Derivatives - Equity, Fixed Income, Currency, and Commodity Markets</td>
<td>KBSW - Ch. 11 (#1, 2, 5-8, 10-13)</td>
<td></td>
</tr>
<tr>
<td>26-Oct</td>
<td><strong>LAST DAY TO WITHDRAW IS Fri. 22-OCT</strong></td>
<td>KBSW - Ch. 11 (#1, 2, 5-8, 10-13)</td>
<td>Quiz 6</td>
</tr>
<tr>
<td></td>
<td>Derivatives - Equity, Fixed Income, Currency, and Commodity Markets</td>
<td>Ch. 13 (#3, 4, 9, 11, 13)</td>
<td></td>
</tr>
</tbody>
</table>
Financial Institutions and Markets

FINN 3221-001, Fall 2021
24-Aug-2021 to 7-Dec-2021; T 2:30p-5:15p

<table>
<thead>
<tr>
<th>Date</th>
<th>Assignment</th>
<th>Textbook Chapters</th>
<th>Quiz</th>
</tr>
</thead>
</table>
| 2-Nov  | - Banking Across Borders - International Considerations for Commercial Banks  
- Regulation of Commercial Banks | KBSW - Ch. 14 (#8, 10, 12)  
Ch. 15 (#15, 17, 18) | Quiz 7 |
| 9-Nov  | - Regulations - Reg Capital  
- Leverage Ratios  
- Regulating Risk | KBSW - Ch. 15 | Quiz 8 |
| 16-Nov | - Institutional Investors  
- Investment Banking | KBSW - Ch. 16 (#2, 7-9, 13)  
Ch. 17 (#3, 7, 10, 16-19)  
Ch. 18 (#2, 3, 5, 6, 9, 12) | Quiz 9 |
| 23-Nov | - Investment Banking  
- Investment Companies and Structures  
- Risk Management | KBSW - Ch. 19 (#1, 3, 4, 7) | Quiz 10 |
| 30-Nov | - Midterm Exam 3 | KBSW - Ch. 11, 13-20 | Midterm Exam 3 |
| 7-Dec  | - Review Midterm Exam 3  
- Review for Final Exam | | |
| 14-Dec | Final Exam | | 2:00p-4:30p |

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Total Points</th>
<th>Weight</th>
<th>Weighted Score</th>
<th>Course Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Exam 1</td>
<td>100</td>
<td>20%</td>
<td>90-100</td>
<td>A</td>
</tr>
<tr>
<td>Midterm Exam 2</td>
<td>100</td>
<td>20%</td>
<td>80-89</td>
<td>B</td>
</tr>
<tr>
<td>Midterm Exam 3</td>
<td>100</td>
<td>20%</td>
<td>70-79</td>
<td>C</td>
</tr>
<tr>
<td>Final Exam</td>
<td>100</td>
<td>40%</td>
<td>60-69</td>
<td>D</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&lt;60</td>
<td>F</td>
</tr>
</tbody>
</table>

For exams, you will be required to turn over your mobile devices during the examination period.

Exam Make Up Policy

If you are unable to attend an exam, then you must be able to provide a valid excuse (e.g. medical, family, or personal emergency; religious holiday; participating as an authorized University representative in an event; professional activities, or other reasonable excuse) for missing the exam. It is expected that you provide some form of explanation (e.g. doctor’s note, note from university event organizer, etc.). You will then have one week to make up the exam during an office hours session. An alternate version of the exam will be administered.
Attendance Policy

Attendance will not be recorded. It is up to you whether you decide to attend lectures, whether in person or virtual. I believe that we all learn better in person, and I have received feedback that my lecture style is no exception to that rule.

COVID-19 Dismissal Policy

It is the current policy of UNC Charlotte that, as a condition of on-campus enrollment, all students are required to engage in safe behaviors to avoid the spread of COVID-19 in the 49er community. Such behaviors specifically include the requirement that all students properly wear CDC-compliant face coverings in all indoor spaces on campus - including classrooms and labs - regardless of vaccination status. Failure to comply with this policy in the classroom or lab may result in dismissal from the current class session. If the student refuses to leave the classroom or lab after being dismissed, then the student may be referred to the Office of Student Conduct and Academic Integrity for charges under the Code of Student Responsibility. Because refusal to wear a mask threatens the health of other students, I may additionally adjourn class temporarily or for the remainder of the class period to ensure a safe learning environment.

Communication with the Professor

At this point in your college career, you are preparing for the professional world. Please plan to communicate with me as a professional. Treat this class as a stepping stone to your career and use professional judgement about what you decide to say to me in emails or in office hour sessions. I will do my best to respond to emails within 2 business days of email receipt. If you have not heard back from me after that time, then please send me a follow up email. This will put it back to the top of my inbox and will be more visible.

Adjustments to The Schedule

I do travel a fair amount for work. Therefore, I may have to adjust the schedule to fit around any short notice trips that come up. I will communicate these as best I can; however, you should check your email accounts every day of a scheduled class to make sure that I have not had to adjust the schedule last minute. I expect to be able to communicate any changes with more than one day’s notice, but you do need to be aware that it is possible for a very last-minute trip come up.

Additional Information and Resources

Diversity

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.
Disability Services
UNC Charlotte is committed to access to education. If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.

Academic Integrity
All students are required to read and abide by the Code of Student Academic Integrity. Violations of the Code of Student Academic Integrity, including plagiarism, will result in disciplinary action as provided in the Code. Definitions and examples of plagiarism are set forth in the Code. The Code is available from the Dean of Students Office or online at (https://legal.uncc.edu/policies/up-407). This code forbids cheating, fabrication and falsification, multiple submission, plagiarism, abuse of academic materials, complicity in academic dishonesty, and responsibilities of group members for joint work. A full explanation of these items and procedures to address violations are found in the complete text of University Policy 407. Students should contact the Dean of Students Office or visit https://legal.uncc.edu/policies/up-407 for more information on the most recently revised version of the code.

Adverse Weather Policy
UNCC’s adverse weather policy (https://legal.uncc.edu/policies/up-701) states that the university will be open unless the Chancellor or the Chancellor’s delegate announces it will be closed. I understand that weather can make longer distance commutes very unsafe, so you are advised to use your own discretion in an instance of adverse weather that is not severe enough to lead to the Chancellor closing school.