

BFIN 7215: Capital & Money Markets

Asynchronous On-Line class – May 28 – June 30

3 credits

Instructor: Christakis (Chris) Droussiotis, christakis.droussiotis@shu.edu, (908) 930-4725 (Voice /Text)
Instructor's Web: www.ProfessorDrou.com
Office Hours: Virtual by Appointment (send an email)
Response Policy: I intend to log onto the course and check email daily. You should expect a response from me within 24 hours. If you have an urgent question or concern, please contact me via text message or telephone

Course Overview

This course is designed to provide practitioners and those seeking careers in finance with a rigorous combination of theory and practice as we explore the fundamental principles of capital and money markets. From a practical perspective, capital and money markets is meant to reinforce work-related practices, starting with a review of time value of money and return analysis to understanding the primary and secondary markets for equity and debt. The course will be divided into three sections: The first part of the course will focus investment analysis and secondary trading concepts. The second part will focus on primary markets. The third part will focus on specific transactions and case studies

The topics covered in this course provide students with the necessary background and preparation to take more advanced courses in finance.

Learning Objectives (LO)

Upon successful completion of this course, you will be able to:

1. Apply the principal time value of money (TVM) concepts used in financial analysis and valuation
2. Understand Risk & Return tradeoff and the mitigation of such risk through allocation and diversification
3. Compare the risk and returns to market and learn other measurements of calculating expected return
4. Understand how stocks and bonds trade in the secondary markets and how they are valued. Apply basic risk & return analysis based on expected cash flows (dividends or coupon payments)
5. Determine the value of debt and equity securities using discounted cash flow methods (DCF) and alternative valuation techniques and use these for various transactional situations such as Mergers and Acquisition or Leveraged Buyout Outs

Readings (Optional)

Textbook (CD)

An Analytical Approach to Investments, Finance and Credit, 1st Edition (CD)

Chris Droussiotis

Cognella Academic Publishing

Cognella Store Link : [BFIN 7215 - Capital and Money Markets \(cognella.com\)](http://BFIN 7215 - Capital and Money Markets (cognella.com))

Please note that this textbook will be used for lectures, spreadsheets, projects, and your homework (via the digital platform Active Learning) will be my own textbook that was published a few years ago called: “The Analytical Approach to Investments, Finance and Credit” First Edition by Chris Droussiotis. I believe this book will not only help you navigate this class better but more importantly it includes many sections that should help you prepare to get ready for your banking career after graduation. The purchase is recommended and but not required.

Financial Calculators

Given the scope and nature of Introduction to Finance, students are strongly recommended to obtain a financial calculator, such as: HP-10BII or Texas Instruments (TI) BAIL.

Excel

In addition, students are encouraged to use Excel to perform the analytical calculations discussed in the course. Most of the lectures will include spreadsheet analysis.

Course Requirements (Assignments)

Graded Homework and Projects Problems (30%):

Graded Homework Problems give you an opportunity to demonstrate your mastery of the topics covered in the course and solidify your knowledge of finance theory through the practical application of the concepts, models, and theories, discussed in class. Students are required to submit a set of Graded Homework Problems. Homework and due dates will be posted on Canvas. The student could wish to submit their homework via Cornell's ACTIVE LEARNING platform.

Midterm Exam I & II (35%):

The Midterm Exam will be based on the instructor's class notes (PowerPoint presentations) and excel spreadsheets provided on the professor's webpage and blackboard. To prepare for the exam is recommended reading using the practice problems from the optional CD textbook - chapters 1-4 and chapters 10 and 11 which includes Time Value Money (TVM) concepts, Risk & Return, stock and bond investing.

Final Exam (35%):

The Final Exam will include some of the concepts from the midterm including equity valuation, Return and TVM. Most of the exam though will focus on textbook CD chapters 6-16. The students need to study spreadsheets analysis covered in class including the Alexandria Hotel projections and DCF analysis, Hyatt stock valuation, LBO and Capital Markets financial model, and return and bond analytics spreadsheet. The exam will be taken during the Exam Period.

The students need to study the various spreadsheet analysis covered in class including the Celerity Technology Company case study; the Alexandria Hotel WACC analysis and Hyatt Corporation enterprise valuation methods.

***CD Factor:**

This is to give the benefit for students of significant improvement between Mid-Term Exam and Final. The Weighted averages are as follows (based on pre midterm curve score):

Improvement	Mid-Term Weighting	Final Exam Weighting
35% and higher	15%	55%
30-34%	20%	50%
25%-29%	25%	45%
20%-24%	30%	40%
19% or lower (including negative)	35%	35%

Evaluation/Grading

The final grade will be calculated as described below:

FINAL GRADING SCALE

Grade	Percentage
A	93–97.9 %
A-	90–92.9 %
B+	87–89.9 %

B	83–86.9 %
B-	80–82.9 %
C+	77–79.9 %
C	73–76.9 %
C-	70–72.9 %
D	60–69.9 %
F	59.9% and below

ASSIGNMENT	% Weight
Mid-term Exam	30%
Final Exam	30%
Attendance and Participation	10%
Graded Homework	15%
Individual Project	15%

Academic Integrity

Cheating and plagiarism are serious offenses. The following definitions are based on the College's Academic Honesty website:

Cheating is the attempted or unauthorized use of materials, information, notes, study aids, devices, or communication during an academic exercise.

Examples include but are not limited to:

- Copying from another student during an examination or allowing another to copy your work
- Unauthorized collaborating on a take home assignment or examination
- Using unauthorized notes during a closed book examination
- Using unauthorized electronic devices during an examination
- Taking an examination for another student
- Asking or allowing another student to take an examination for you
- Changing a corrected exam and returning it for more credit
- Submitting substantial portions of the same paper to two classes without consulting the second instructor
- Preparing answers or writing notes in a blue book (exam booklet) before an examination
- Allowing others to research and write assigned papers including the use of commercial term paper services

Plagiarism is the act of presenting another person's ideas, research or writing as your own, such as:

- Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is four or more words taken from the work of another)
- Presenting another person's ideas or theories in your own words without acknowledging them
- Using information that is not considered common knowledge without acknowledging the source
- Failure to acknowledge collaborators on homework and laboratory assignment

My policy is to give a 0 grade to any assignment that has been plagiarized or an exam in which you have cheated. In addition, I am required by college policy to submit a report of suspected academic dishonesty to the Office of the Dean of Students. This report becomes part of your permanent file.

Course Schedule/Course Calendar

Website www.ProfessorDrou.com for schedule changes and updates: