

C.T. Bauer College of Business
Capital Markets FINA 7A20 Tuesday 6-9 PM
Spring 2017 January 17-March 10

Instructor: Prof. Kris Jacobs
Office: MH 240E
Phone: (713) 743 2826
Email: kjacobs@bauer.uh.edu
Office Hours: Tue 16:50-17:50, or by appointment

Course Description

The objective of this course is to give an overview of capital markets and different securities. We discuss equity, fixed income securities, and derivative securities. We provide an overview of the institutional environment: which products are available and how are they traded? We also analyse pricing models and the regulatory environment.

Textbook

Required: Bodie, Kane, and Marcus, **Investments**, McGraw-Hill Irwin, Tenth Edition, ISBN 978-0077861674. The solution manual is available through the bookstore.

Lecture Notes

The lectures will be supported by lecture notes. These will be made available electronically on Blackboard. You are not required to use them, they are simply meant to help you. If instead you feel comfortable taking notes, that's fine. However, I will proceed at a speed that is appropriate for someone who has the lecture notes handy.

Readings

I have made additional readings available through the library system course reserves at <http://guides.lib.uh.edu/7A20CM>
Additional readings are available on Blackboard. All readings are entirely optional.

Frequently (daily) reading of the Financial Times and the Wall Street Journal is also entirely optional but highly recommended.

Grading

Grading will be based on the following requirements:

Final Exam	35%
Homeworks	25%
Cases	40%

- The date for the final exam will be announced in class and on blackboard.
- There are five homeworks. They are available electronically through blackboard. HW1 is due Jan 30, HW 2 is due Feb 6, HW3 is due Feb 13, HW4 is due Feb 27, and HW5 is due March 1. You should submit the homeworks through blackboard. If your performance on the final is better than your performance on the homeworks, I will count the final for 60%.
- There are two cases. The first case is due on February 10. The second case is due on Feb 28. Please form groups of three or four and submit your solutions through blackboard. If you have trouble forming a group let me know as soon as possible. It is important that each group member does their share because you will have the opportunity to evaluate your fellow group members. Your analysis should consist of concise responses to the case questions, supported by tables, figures, and quantitative analyses as required. Late submissions will not be accepted. To retrieve the cases, please use the following course link at Harvard Publishing: <http://cb.hbsp.harvard.edu/cbmp/access/57847457>

Tentative Schedule

<u>Date</u>	<u>Topics</u>	<u>BKM Chapters</u>
Jan 17	Equity Markets and Securities Trading	1, 2, 3
Jan 24, Jan 31	Bond Markets and Fixed Income Securities	2, 14
Feb 7	The Term Structure of Interest Rates Managing Interest Rate Risk	15, 16
Feb 14, Feb 21	Option Markets	20, 21
Feb 28	Futures Markets	22, 23