Management of Financial Institutions
21351 - FINC 313 – 02
Spring 2021
Tuesday / Thursday 9:25am – 10:40am – Classroom Tate 315

Instructor: Robert (Bob) Holtz holtzrj@cofc.edu
Office Hours: Tuesday / Thursday 11:00AM – 12:00PM (Beatty 420)

Introduction
It is your responsibility to read, understand and abide by all the course information and policies listed below. Failure to do so could result in you failing this course or being withdrawn from this course by your instructor or by the Finance Department. The course syllabus provides a general plan for the course; deviations may be necessary.

Fall COVID-19 Mitigation Policies and Procedures
Please refer to the College of Charleston website for current information on COVID policies.

School of Business Learning Goals

1. Quantitative Fluency: Students will demonstrate competency in logical reasoning and data analysis skills.
2. Intellectual Innovation and Creativity: Students will be able to demonstrate their resourcefulness and originality in addressing extemporaneous problems such as the role of credit underwriting in the recent financial crisis.
3. Synthesis: Students will demonstrate the ability to integrate knowledge from multiple disciplines incorporating learning from both classroom and non-classroom settings in the completion of complex and comprehensive tasks.

FINC 313 Course Overview
This course is a comprehensive study of commercial banks and their role in the economy. The course emphasizes the practical application of business and economic principles as they relate to bank management and regulatory policy. Topics covered include banking history and regulation, consumer and commercial credit analysis, asset and liability management, risk management, loan policy, and money management services.

FINC 313 Catalog Description
Course objectives are two-fold. First, this course is designed to give the student an understanding of the types and functions of financial institutions, the financial markets in which those institutions operate, and the financial instruments traded in those markets. Second, the course focuses on the theory and practice of bank management. The fundamental principles underlying the management of bank assets are emphasized. Attention is devoted to the allocation of funds among various classes of investments and banking operating costs and to changing bank practice.
Prerequisite(s): Junior standing; ACCT 203, ACCT 204, FINC 303, ECON 200, ECON 201, MATH 104 or MATH 250.

We will also cover special topics, including student loans, cryptocurrency, online banking and other current topics.

**Required Course Materials**

2. Connect account (for textbook, assignment, homework)
3. Selected articles and cases
4. Business Calculator

**Additional Recommended Materials**

1. Bloomberg Business Week
2. The Economist
3. The Wall Street Journal
4. Forbes
5. Various online publications

The Wall Street Journal, Business Week, and Fortune can be obtained at reduced student rates. The current banking periodicals listed are available in the Addlestone library.

**CONNECT**

Connect will be used for weekly assignments, textbook reading, homework and exams. Grades from Connect assignments will be synchronized with grades in OAKS. Within Connect, only quizzes and exams will count towards your grade, questions within the textbook do not carry a value.

**OAKS**

OAKS, including Gradebook, will be used for this course throughout the semester to provide the syllabus and class materials and grades for each assignment, which will be regularly posted. All homework, midterms and presentations will be graded using OAKS.

**STUDENT RESPONSIBILITY:**

Textbook chapters in Connect are to be read before the day that topic is covered in class and are listed in the course outline below. Be sure to refer to the outline that corresponds to the class days for the course you attend. The Textbook has been designed as a self-directed learning guide. It is the responsibility of each student to know and understand the subject matter covered in each Textbook chapter whether or not the specific material is covered in class. Additionally, each student is responsible to know how to solve, before each scheduled exam, all of the assignments and problems listed in the course outline for all of the chapters covered in that exam.

**CLASS RECORDING**

Class sessions will be recorded via Zoom. By attending and remaining in this class, the student consents to being recorded. Recorded class sessions are for instructional use only and may not be shared with anyone who is not enrolled in the class. I will not post the recording, but if you are unable to attend a class and inform me in advance, I will send you a link to the recording.
ATTENDANCE:
Class Attendance: Because class attendance is crucial for any course, students are expected to attend all classes and laboratory meetings of each course in which they enroll. Instructors maintain the authority to determine how absences will be addressed, which should be detailed in their attendance policies. This semester, given the continuing threat of COVID, there may be more excused absences, and students will be given reasonable accommodations. Participation in college-sponsored activities, where students are official representatives of the College of Charleston, may result in absence(s). Instructors will recognize absences in which students are official representatives of the College of Charleston (such as intercollegiate academic or athletic team competition, or academic program sanctioned research presentation or artistic performance) as excused. During the first week of classes, instructors will announce and distribute their attendance policies, including criteria to be used in determining excused absences. Instructors determine whether absences are excused or unexcused for the purposes of participation grades, in-class assignments, and laboratories. Regarding formal graded work (such as exams, presentations, papers), instructors will make “reasonable accommodations” when a student misses class for an event at which s/he is an official representative of the College of Charleston. Examples of reasonable accommodations might include: rescheduling an exam, altering presentation times, or flexibility in assignment submission dates. Students are required to submit documentation of their College representation related commitment from the appropriate College authority at least one week prior to the scheduled absence in order to be eligible for reasonable accommodations by the instructor. Regardless of any accommodation granted, students are responsible for satisfying all academic objectives, requirements, and prerequisites as defined by the instructor and the College. Instructors ascertain whether both excused and unexcused absences count in determining the basis for a grade of “WA,” which stands for “withdrawn excessive absences” and is equivalent to a failing grade. If attendance is used for grading purposes, the instructor is responsible for keeping accurate attendance records. If a student has more than the maximum allowed absences as defined in the course syllabus, the professor may assign a “WA.” Instructors are required to submit an electronic “WA” form (located in MyCharleston faculty tab) to the Registrar on or before the last meeting day of the class. The Registrar will then send an email notification to the student. The student is responsible for keeping personal addresses and contact information current through the Office of the Registrar. All students, whether absent or not, are responsible for all information disseminated in the course.

ACADEMIC INTEGRITY

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when suspected, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to misunderstanding and confusion will be handled by the instructor. The instructor designs an intervention or assigns a grade reduction to help prevent the student from repeating the error. The response is recorded on a form and signed both by the instructor and the student. It is forwarded to the Office of the Dean of Students and placed in the student’s file.
Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XXF in the course, indicating failure of the course due to academic dishonesty. This status indicator will appear on the student’s transcript for two years after which the student may petition for the XX to be expunged. The F is permanent.

Students can find the complete Honor Code and all related processes in the Student Handbook at https://deanofstudents.cofc.edu/honor-system/studenthandbook/index.php

DISABILITY / ACCESS
The Center for Disability Services/SNAP is dedicated to:
- Ensuring that all programs and services of the College of Charleston are accessible
- Providing assistance and guidance to students with a documented disability to ensure equal access to all programs and services at the College of Charleston;
- Providing reasonable and effective accommodations while promoting independence in the student;
- Offering educational opportunities to students, faculty and staff that enhance understanding of the various types of disabilities, promoting an environment respectful of all;
- Serving as a resource center for students, faculty, staff and the community.

Please refer to the College of Charleston website for current information.

MENTAL AND PHYSICAL WELL-BEING

At the college, we take every students’ mental and physical wellbeing seriously. If you find yourself experiencing physical illnesses, please reach out to student health services (843.953.5520). If you find yourself experiencing any mental health challenges (for example, anxiety, depression, stressful life events, sleep deprivation, and/or loneliness/homesickness) please consider contacting the counseling center or meet with them in person (3rd Floor Stern Center) or 843.953.5640. Another option is the Students 4 Support (certified volunteers through texting "4support" to 839863). These services are there for you to help you cope with difficulties you may be experiencing and to maintain optimal physical and mental health.

INCLEMENT WEATHER, PANDEMIC OR SUBSTANTIAL INTERRUPTION OF INSTRUCTION

If in-person classes are suspended, faculty will announce to their students a detailed plan for a change in modality to ensure the continuity of learning. All students must have access to a computer equipped with a web camera, microphone, and Internet access. Resources are available to provide students with these essential tools.
INCLUSION
The College of Charleston offers many resources for LGBTQ+ students, faculty and staff along with their allies.

Preferred Name and Pronoun Information
On Campus Gender Inclusive facilities
Campus Resources
College of Charleston Reporting Portals
National Resources for Faculty & Staff
GSEC Reports
Documenting LGBTQ Life in the Lowcountry (CofC Addlestone Library Special Collections Project)
College of Charleston Quality Enhancement Plan (QEP)
Articles about CofC and LGBTQ+ Issues

COURSE GRADING / ASSESSMENT
The course grade will be determined as follows throughout the semester. The grading weights are provided below. Make-up exams are not normally allowed, but, where appropriate, its weight will be added to the final at the end of the semester. You must notify me before a test begins to qualify for consideration regarding a make-up. All exams will be multiple choice or problems. If you do not take a test, a score of 0 will be assigned.

<table>
<thead>
<tr>
<th>Grading</th>
<th>Total points possible</th>
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</thead>
<tbody>
<tr>
<td>Class Participation / Engagement</td>
<td>10%</td>
</tr>
<tr>
<td>Homework questions (weekly)</td>
<td>25%</td>
</tr>
<tr>
<td>Midterm Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Midterm Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>25%</td>
</tr>
<tr>
<td>Total Points</td>
<td>100%</td>
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</tbody>
</table>

Class participation
Regular participation and engagement are integral to this class and will be monitored in class and via OAKS. Students are expected to contribute by asking questions and being prepared during lectures. Questions at the end of each chapter will be used as a basis for discussion.

Homework
Each week, you will be assigned homework in the form of a Connect quiz, usually around 10-20 questions. This homework must be completed by Sunday, 10:00pm each week, late submissions will not be accepted. These quizzes will be good preparation for the midterm and final exams.

Midterm and Final Exams
The midterm and final exams will be a combination of multiple choice and problems. The midterm exams will be conducted via Connect using your laptops IN CLASS. The final exam will be given during the assigned times for Final Exams.

Lectures, Assignments & Class Participation
Lectures will cover chapters in the assigned text and may include a special topic. Homework will be assigned following each lecture and will be graded.
Helpful tips for doing well in this class:

- Read the material for the next day’s class prior to class. While you are reading, take good notes and write down any questions you might have on the material.
- Complete the assigned homework shortly after the lecture. Ask questions if there are questions you didn’t understand.
- The exams will be multiple choice and problems. All material on the exams will be covered either in the lecture, textbook or both.

**Grading Scheme:**

Below is the grade scheme used for the semester. All grades will be shown in OAKS so you can track your progress throughout the semester. If you feel you are underperforming, please contact me as soon as possible so we can figure out a solution. Do not expect me to “adjust” your grade at the end of the semester.

- A = 93-100%
- 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+ = 67-69.9%
- D = 63-66.9%
- D- = 61-62.9%
- F = < 60.9%

**Semester Plan:**

Below is the expected agenda for each of the next 15 weeks. For each week, you will need to complete the following:

- Read the relevant Chapters in Connect
- Read the PPT lecture
- View the “special topic” articles and videos posted in OAKS
- Attend lecture and participate in discussions
- Complete the homework, in the form of an OAKS quiz, by Sunday evening, 10pm

I expect all students to attend the lectures in person. If you cannot attend a session, please let me know ahead of time. I do not plan on posting the lectures in OAKS.
<table>
<thead>
<tr>
<th>Week 1</th>
<th>January 11, 2022</th>
<th>Tue</th>
<th>Introduction</th>
<th>January 13, 2022</th>
<th>Thur</th>
<th>Chapter 1 Banking and Financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 2</td>
<td>January 18, 2022</td>
<td>Tue</td>
<td>Chapter 2 - Determinants of Interest Rates</td>
<td>January 20, 2022</td>
<td>Thur</td>
<td>Chapter 3 - Interest Rates and Security Valuation</td>
</tr>
<tr>
<td>Week 3</td>
<td>January 25, 2022</td>
<td>Tue</td>
<td>Chapter 4 - The Fed, Monetary Policy, Interest Rates</td>
<td>January 27, 2022</td>
<td>Thur</td>
<td>Chapter 5 - Money markets</td>
</tr>
<tr>
<td>Week 4</td>
<td>February 1, 2022</td>
<td>Tue</td>
<td>Chapter 6 - Bond Markets</td>
<td>February 3, 2022</td>
<td>Thur</td>
<td>Chapter 7 - Mortgage Markets</td>
</tr>
<tr>
<td>Week 5</td>
<td>February 8, 2022</td>
<td>Tue</td>
<td>Chapter 8 Stock Markets</td>
<td>February 10, 2022</td>
<td>Thur</td>
<td>Chapter 8 Stock Markets</td>
</tr>
<tr>
<td>Week 6</td>
<td>February 15, 2022</td>
<td>Tue</td>
<td>Review Material for First Exam - Chapters 1-8</td>
<td>February 17, 2022</td>
<td>Thur</td>
<td>First Midterm Exam (Chapters 1-8)</td>
</tr>
<tr>
<td>Week 7</td>
<td>February 22, 2022</td>
<td>Tue</td>
<td>Chapter 11 - Commercial Banks</td>
<td>February 24, 2022</td>
<td>Thur</td>
<td>Chapter 12 - Financial Statements and Analysis</td>
</tr>
<tr>
<td>Week 8</td>
<td>March 1, 2022</td>
<td>Tue</td>
<td>Chapter 12 - Financial Statements and Analysis</td>
<td>March 3, 2022</td>
<td>Thur</td>
<td>Chapter 12 - Financial Statements and Analysis</td>
</tr>
<tr>
<td>Spring Break</td>
<td>March 8, 2022</td>
<td>Thu</td>
<td></td>
<td>March 10, 2022</td>
<td>Thur</td>
<td></td>
</tr>
<tr>
<td>Week 10</td>
<td>March 15, 2022</td>
<td>Tue</td>
<td>Chapter 13 - Regulation</td>
<td>March 17, 2022</td>
<td>Thur</td>
<td>Chapter 13 - Regulation</td>
</tr>
<tr>
<td>Week 11</td>
<td>March 22, 2022</td>
<td>Tue</td>
<td>Chapter 16 - Securities Firms, Investment Banks</td>
<td>March 24, 2022</td>
<td>Thur</td>
<td>Chapter 17 - Investment Companies</td>
</tr>
<tr>
<td>Week 12</td>
<td>March 29, 2022</td>
<td>Tue</td>
<td>Chapter 17 Investment Companies</td>
<td>March 31, 2022</td>
<td>Thur</td>
<td>Second Midterm Exam (Chapters 11, 12, 13, 16, 17)</td>
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<tr>
<td>Week 13</td>
<td>April 5, 2022</td>
<td>Tue</td>
<td>Chapter 19 - Fintech</td>
<td>April 7, 2022</td>
<td>Thur</td>
<td>Chapter 20 - Risks of Financial Institutions</td>
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<tr>
<td>Week 14</td>
<td>April 12, 2022</td>
<td>Tue</td>
<td>Chapter 21 - Managing Credit Risk</td>
<td>April 14, 2022</td>
<td>Thur</td>
<td>Chapter 21 - Managing Credit Risk</td>
</tr>
<tr>
<td>Week 15</td>
<td>April 19, 2022</td>
<td>Tue</td>
<td>FINAL EXAM REVIEW</td>
<td>April 21, 2022</td>
<td>Thur</td>
<td>FINAL EXAM COMPLETED</td>
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</tbody>
</table>