

# ECON 173A -- SYLLABUS (WINTER 2015)

Foster, UCSD, January 26, 2015

Teaching Staff and Consultation Hours			
Name/Position	Times	Room	Contact Info
Carroll B. Foster (PhD/Lecturer)	MWF 9-10 am	CENTER @ coffee cart	cfooster@ mail.ucsd.edu
Mike Sharifi ¼ Brigitte Roth Tran ½	W, 11-n	SEQ 235 SEQ 237	asharifi @ ucsd.edu brothtran @ ucsd.edu

## Course Information

- Course Title: FINANCIAL MARKETS (ID = 826613) [n < 196]
- Lecture: A00 – MWF, 8-8<sup>50</sup> am CENTER 115
- Discussion: A01 – M, 8-9 pm; A02 -- M, 9-10 pm CENTER 105
- Description: Intro to investment theory; financial markets; risk and return; capital asset pricing models; fundamental analysis; efficient markets; bond yields; term structure of interest rates.
- Prerequisite: Ec 100A; Ec 120B or Math 181B; Math 20F or 31AH

## Books and Materials

- Bodie/Kane/Marcus, *Investments* (10<sup>th</sup> ed.). [Required]
- Course outline, exam questions, and tables at course webpage: <http://ted.ucsd.edu>

## Some Suggested Reading

- Burton Malkiel, *A Random Walk Down Wall Street*, Norton (1999). The rise of the EMH.
- Justin Fox, *The Myth of the Rational Market*, Harper Collins (2009). The demise of the EMH.
- Taleb, *The Black Swan*, Random House (2007). Everything you know is wrong.
- J. K. Galbraith, *A Tenured Professor*, Mariner Books (1990). A sarcastic novel about short selling.

Course Outline and Reading List -- BKM 9 <sup>th</sup>		
Top 1	INTRO TO FINANCE & INVESTING	Ch. 1, 3
Top 2	PERSONAL FINANCE & TVM	§5.2
Top 3	FINANCIAL SECURITIES	Ch. 2, 4; §14.1
Top 4	RISK & RETURN	Ch. 5, §6.1 [omit §5.9]
Top 5	MODERN PORTFOLIO THEORY	Ch. 6 - 7 [omit §7.5]
Top 6	CAPITAL ASSET PRICING MODEL	Ch. 8-9
Top 7	STOCK ANALYSIS & THE EMH	Ch. 11; §13.1; §18.1 - 18.4
Top 8	BONDS & INTEREST RATES	Ch. 14 - 15; §16.1

## Calendar

- Holidays: Monday, 19 JAN (MLK); Monday, 16 FEB (Presidents' Day)
- Midterm: Friday, 13 FEB, in class
- Final: Monday, 16 MAR, 8-11 am, in \_\_\_\_\_

Tentative Monday Discussions									
Wk		Date	Subject	Reading	Wk		Date	Subject	Reading
1	Jan	5	PV, $\Sigma$ notation	TVM	6	Feb	9	Midterm review	Crisis notes
2	Jan	12	Personal finance	TVM	7	Feb	16	Holiday	Top 6
3	Jan	19	Holiday	Top 3	8	Feb	23	EPF with EXCEL (me)	HW
4	Jan	26	Problem solving	Top 4	9	Mar	2	Problem solving	Top 7
5	Feb	2	Problem solving	Top 5	10	Mar	9	Bonds; Final review	Top 8

Examinations and Grading

- Midterm = 50 points; cumulative final = 150. BRING A VALID PHOTO ID TO THE EXAMS.
- There is one homework assignment, using linear algebra and EXCEL. Failure to complete this assignment properly will lower your course grade by one whole letter (*e.g.*, from B+ to C+)!
- Exams are open notes/closed book; calculator required (no laptops or textbook).
- If you arrive late to an exam, I will allow you to take the exam in the time that remains *as long as no one has turned in an exam and left the room*. Once a classmate has turned in an exam, you will not be allowed to begin the exam and will get a zero.
- No bathroom breaks during midterms. One person at a time during finals; you will be escorted by a TA, with whom you will leave your exam paper.
- Regrade period for midterm is 1 week after papers first returned in class.
- No rescheduled or make-up exams. You **MUST** take final with the rest of the class on schedule during finals week. Plan your schedule accordingly. I have to give midterms and finals in three classes and will have no flexibility whatsoever.

Study Tips

- Attend class; bring notes posted at TED. Read appropriate sections of the book AFTER I lecture on the material. Do practice problems at the end of my lecture topics and in the book.
- READ THE BOOK! Teachers who want to help you learn this subject wrote it.
- This is not an on-line class. If you don't come to the lectures you will miss some material and be at a disadvantage on the exams.

About Cheating

1. There is a LOT of it at UCSD (9 cases on my Winter 2014 Ec 120C midterm, for example, and some instances of cell phone cheating).
2. I hate it!
3. I routinely give multiple versions of tests. Only the TAs know which version you have.
4. If I suspect a violation of academic integrity, I withhold your score and/or grade and send your paper to AIC for resolution. AIC will contact you and tell you what to do.
5. If you are found guilty by AIC, they will impose penalties, and I will give you an F in the course.
6. Honest students are put at a disadvantage by cheating students, and I don't like that. Hence, my exam rules and restrictions.