

**The College of William and Mary**  
**Financial Economics**  
**ECON 315**  
**Fall 2016**

**Instructor: Richard Moser**  
**Tyler 462**  
**rbmose@wm.edu**

**Course Description:** Provides students with the analytical perspective to think critically about financial markets and the allocation of scarce resources over time and under conditions of uncertainty. Topics include the financial system, the time value of money, discounted cash flow analysis, valuation models, risk management and asset pricing.

**Class Format:** A variety of teaching methods will be used to meet course objectives, including: lectures, assignments and case analyses. Classes will begin with a review of the homework assignment, followed by a lecture and demonstration of new material. The solution of example problems will be used extensively to reinforce important concepts and techniques. Students will then practice the use of newly introduced concepts by solving problems or participating in class exercises designed to demonstrate practical applications.

**Texts:** There are **no required texts** for this course. **Note and problem sets for the material to be covered in this class, along with other pertinent handouts, will be made available on Blackboard as the class progresses.** *Texts on financial economics (e.g. Financial Economics, by Bodie, Merton and Cleeton - Prentice-Hall) or financial management and investment management (e.g. Essentials of Investments, by Bodie, Kane and Marcus - McGrawHill) can be used for reference, if desired.*

**Other Requirements:** **You will need a calculator for all quizzes and exams and a Financial/Business calculator is highly recommended.**

**Reading:** Throughout the course, the instructor may assign readings such as news articles, journal articles, etc. It is your responsibility to read all assigned material.

**Instructor Office Hours/Availability:** The instructor will be available for individual consultation and/or assistance, from 2:30PM to 3:30PM, Monday and Wednesday, ***by appointment only***. An email address is provided at the top of the syllabus, in the event you need to contact the instructor for an appointment or for any other reason.

**Academic Honesty:** Students are expected to abide by the highest standards of academic honesty as delineated in the Honor Code of the College of William and Mary. The Honor Code recognizes infractions that include, but are not limited to: (1) acts of plagiarism; (2) acts of giving unauthorized aid to another student or receiving unauthorized aid from another person on tests, quizzes, assignments or examinations; (3) acts of using or consulting unauthorized materials or using unauthorized equipment or devices on exams, quizzes, assignments or examinations; (4) acts of using any material portion of a paper or project to fulfill the requirements of more than one course unless the student has received prior permission to do so; or (5) acts of intentionally commencing work or failing to terminate work on any examination, quiz or assignment according to the time constraints imposed. **All quizzes, exams, papers and other work for this class are to be completed with the Honor Code in mind, as it will be strictly adhered to in spirit, as well as to the letter of its dictates.**

**Students with Disabilities:** If you are a student with a disability and will need accommodations while enrolled in this course, please contact Student Accessibility Services at the Office of the Dean of Students, Campus Center 107, P.O. Box 8795, Williamsburg, VA 23187-8795, (757) 221-2509).

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**Course Requirements and Evaluation**

**Class Etiquette:** Appropriate class etiquette requires that *cell phones, pagers, PDA's and other wireless devices be turned off during class*. Also, unless otherwise stated, *computers will not be opened and used during class time*. In addition, I expect everyone to respect their fellow student's opinions and comments in the class room. To that end, there will be *no side conversations while others are speaking (including me)*. Disruptive behavior and/or breach of class etiquette will lower your grade!

**Attendance:** Students are expected to attend all classes and to be on time for all class meetings. However, if you notify me by email, you will be allowed three absences from class without the need for documentation or excuse. This includes personal and medical absences. In the case of extended absence (more than three consecutive classes) you will need to provide documentation from the Dean of Students. Otherwise, any unexcused absences beyond three, extended absences not confirmed by the Dean of Students office, repeated late arrival to class, or failure to attend the entire class meeting will affect your final grade!

**Homework:** Homework assignments will not be collected or graded. Homework problems and questions, along with problems and questions done in class will be representative of, and prepare you for, what you can expect on quizzes and exams so it is suggested that you complete assigned problems before coming to class.

**Quizzes:** Unannounced quizzes will be based on prior class lectures and associated homework assignments. Students who miss a class are responsible for that day's lecture material and for the material used on any quiz given at subsequent class meetings. **There will be no make-up quizzes.**

**Exams:** Exams will consist of questions and problems that are similar to those covered in the lecture and on homework assignments. **Any student who misses an exam must contact the instructor and arrange to take a make-up exam prior to the beginning of the next class period. Otherwise, a score of zero will be given for that exam.** Unless announced otherwise, the final exam will be comprehensive.

**Grade Calculation:**

Attendance      5%  
Quizzes          10%  
Exams (4)        85% equally weighted

**Note: There will be no extra credit assignments so come to class and make the best of your opportunities to do well on quizzes and exams.**

**Grade Scale:**

A = 95 - 100	B+ = 86 - 89	C+ = 76 - 79	D+ = 65 - 69
A- = 90 - 94	B = 83 - 85	C = 74 - 75	D = 60 - 64
	B- = 80 - 82	C- = 70 - 73	F = Below 60

Note: The instructor reserves the right to modify the course requirements, assignments, grading procedures, and other related policies as circumstances dictate.

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**Tentative Course Schedule**

**(Class meets Monday & Wednesday from 3:30PM to 4:50PM in Tyler 133)**

Aug 24	Class 1	Course Introduction/Financial Economics/The Financial Environment (Set 1)
Aug 29	Class 2	The Financial Environment (Set1)
Aug 31	Class 3	The Financial Environment /Financial Statement Analysis (Sets 1&2)
Sep 5	Class 4	Financial Statement Analysis (Set 2)
Sep 7	Class 5	Financial Statement Analysis (Set 2)
Sep 12	Class 6	Time Value of Money (Set 3)
Sep 14	Class 7	Time Value of Money (Set 3)
Sep 19	Class 8	<b>Exam #1</b>
Sep 21	Class 9	Time Value of Money/Saving & Consumption (Set 3&4)
Sep 26	Class 10	Saving & Consumption/Investment Decisions (Set 4&5)
Sep 28	Class 11	Investment Decisions (Set 5)
Oct 3	Class 12	Investment Decisions /General Asset Valuation (Set 5&6)
Oct 5	Class 13	General Asset Valuation/Fixed Income Valuation (Set 6&7)
Oct 8 - 11		<b>Fall Break</b>
Oct 12	Class 14	Fixed Income Valuation (Set 7)
Oct 17	Class 15	<b>Exam #2</b>
Oct 19	Class 16	Stock Valuation (Set 8)
Oct 24	Class 17	Stock Valuation (Set 8)
Oct 26	Class 18	Risk & Risk Control/Risk Control Measures (Set 9&10)
Oct 31	Class 19	Risk Control Measures (Set 10)
Nov 2	Class 20	Risk Control Measures/Portfolio Selection & Diversification(Set 10&11)
Nov 7	Class 21	Portfolio Selection & Diversification (Set 11)
Nov 9	Class 22	<b>Exam #3</b>
Nov 14	Class 23	CAPM/Three Factor Model (Set 12)
Nov 16	Class 24	CAPM/Three Factor Model/Futures Contracts (Set 12&13)
Nov 21	Class 25	Futures Contracts (Set 13)
Nov 23 - 27		<b>Thanksgiving Break</b>
Nov 28	Class 26	Futures Contracts/Options (Set 13&14)
Nov 30	Class 27	Options (Set 14)
Dec 12	Class 28	<b>Final Exam (Monday, Dec 12th from 9:00AM to 12:00PM)</b>