



## Department of Economics Course Outline

**Term:** Spring 2004

**Course:** Economics 443  
[Economics of Financial Markets]

**Section:** 20

**Time:** TR 14:00 ? 16:50

**Place:** SS 020 (subject to change)

**Instructor:** P. R. Tracey

**Office:** SS1046

**Telephone:** 220-2693

**Office Hours:** TW 13:00 ? 13:45  
These hours are subject to change.

**E-Mail:** [tracey@ucalgary.ca](mailto:tracey@ucalgary.ca)

### Textbook(s):

Sharpe, William F., Gordon J. Alexander, Jeffery V. Bailey, David J. Fowler, and Dale L. Domian, *Investments*. Prentice Hall, Latest Canadian Edition. **[Required]**

Holden, Craig W., *Spreadsheet Modelling in Investments*, Pearson -Prentice Hall, Latest edition. **[Required]**

### Book(s) on Reserve:

None

### Course Outline:

This course emphasizes asset pricing models, capital structure and risk management. An attempt will be made to analyze financial problems using Excel. (Some topics may be added or deleted depending on time constraints.)

#### Portfolio Selection

[1] Chapters 6 ? 9

[2] Chapters 9 ? 10

#### Options

[1] Chapter 19

[2] Chapters 14 ? 18

## Bond Portfolio Management

[1] Chapter 15

[2] Chapters 1 ? 4

## The Valuation of Common Shares

[1] Chapter 17

[2] Chapter 12

### Grade Determination and Final Examination Details:

Midterm Exam 1	May 27	30%
Midterm Exam 2	June 10	30%
Final Examination	Scheduled by Registrar	40%

Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	97 ? 100	B	80 ? 84	C-	60 ? 64
A	93 ? 96	B-	75 ? 79	D+	55 ? 59
A-	90 ? 92	C+	70 ? 74	D	50 ? 54
B+	85 ? 89	C	65 ? 69	F	0 ? 49

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor, *at the instructor's discretion*, feels it is necessary to more fairly represent student achievement.

A passing grade on the final examination is required for a student to pass the course as a whole.

Non-programmable calculators WILL be allowed during the writing of the midterm tests and the final examination. At least some, if not all, of the tests/exams may involve using the computers in the lab.

There will be a Registrar scheduled final examination, lasting 2 hours.

Tests and exams WILL NOT involve multiple choice questions.

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**Notes:**

- Students seeking reappraisal of a piece of graded term work (mid-term test/assignment) should discuss their work with the Instructor within one week of the work being returned to the class.
- Make-up midterm tests and deferred midterm tests will not be given. In cases of documented illness, documented family emergency, or documented religious observance, the appropriate weight will be transferred to the final exam.
- The midterm tests and the final examination **will not be given before the indicated dates.**

Safewalk / Campus Security: 220-5333

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PRT/dm

2004-03-24