



Moravian College

Department of Economics and Business
Spring 2012
Economics 335: Current Topics in Finance

Professor	Dr. James West
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Office Hours	MW 10:30 am-11:30 am; 1:30 pm-2:30 pm R 2:30 pm-3:30 pm or by appointment

Course Description

Current Topics in Finance will assess contemporary issues in financial markets and institutions, corporate finance, investments, and the global economy. Topics will vary and be chosen to reflect the dynamic and often revolutionary nature of financial markets in a globalizing and technologically sophisticated environment. The regulatory and ethical environment of finance will be included among the issues studied. This course is designed for upper level Economics-finance majors as well as others with appropriate course background and interest by approval of the instructor. The course will also serve as one of the controlled electives required in the Economics-finance track.

Required prerequisite – MGMT 231; recommended – ECON 320

Course Outcomes and Objectives

This seminar will engage students in high level thinking about current financial topics in varied finance areas (managerial, markets and institutions, investments, personal finance, international finance, public finance and development finance).

A particular focus will be on the topic of financial innovation and students will investigate financial innovations in the areas of corporate finance, real estate finance, environmental finance, development finance, health care finance and investments.

The course will build on knowledge gained in prerequisite courses with a particular focus on how the current financial, economic and political environment impact finance.

To this end the course will introduce students to current periodicals, websites, relevant scholarly articles and books, outside speakers and media to help students develop an in-depth understanding of the causes, ramifications and proposed solutions to the

revolutionary financial environment in which we live. Student will build a portfolio documenting their learning throughout the course.

Required Reading

1. Sowell, Thomas, *The Housing Boom and Bust*, Revised Edition 2009, Basic Books (Perseus Group), ISBN: 978-0-465-01986-1
2. Allen, Franklin and Glenn Yago, *Financing the Future: Market Based Innovations for Growth* 2010, ISBN 978-0-13-701127-8 Wharton School Publishing,
3. Jain, Prem C., *Buffett: Beyond Value: Why Warren Buffet Looks and Management When Investing*, 2010, John Wiley & Sons Inc., ISBN 978-0-470-46715-2
4. A fourth finance text is required for a book review and presentation. This book must be selected by you, and approved by the instructor by Week 4 of class. The copyright date of the book must be 2010 or later.

The Wall Street Journal, Bloomberg and the Economist. Check postings on BLACKBOARD regularly.

Sample Review, Reference and Recommended Reading

- Mishkin, Frederic, *Money, Banking and Financial Markets* 2nd Edition McGraw Hill 2010.
- Ross, Westerfield, and Jordan, *Essentials of Corporate Finance*, 6e, McGraw-Hill/Irwin, recent edition
- Weaver, Samuel and J. Fred Weston, *Strategic Financial Management*, Thomson Southwestern, recent edition
- Bodie, Kane & Marcus, *Essentials of Investments*, recent edition, Irwin/McGraw Hill
- Frasca, Ralph R., *Personal Finance: An Integrated Approach*, Prentice Hall, recent edition 2009

Research Tools Art Reeves Library

- [Business Source Elite](#)
- [BizSeer.ist](#)
- [EconLit](#)
- [FirstResearch](#) – available on campus only
- [Hoover's Online](#)
- [S&P's NetAdvantage](#)
- [ValueLine](#) – available on campus only

Grading and Course Policies

Class attendance and prepared participation are essential components of this seminar. There will be two semester exams and a portfolio which is due in preliminary form midterm week and final form at the beginning of the last week of classes. The exams will count 25% each toward the final grade. Class performance (including participation, quizzes and presentations will count for 25%. The portfolio project will count for 25%, is due by the first day of final exams. More than two absences will result

in the drop of a letter grade. More than four, two letter grades. Policies on Academic Honesty, as outlined in the student handbook, will be enforced. No food should be brought to class.

**** Students who wish to request accommodations in this class for a disability should contact Mr. Joe Kempfer, Assistant Director of Learning Services for Disability Support, 1307 Main Street (extension 1510). Accommodations cannot be provided until authorization is received from the office of Learning Services.**

Class Schedule and Assignments

Week of:

- 1/16 Revolutions in Finance: What's going on? The economics, ethics and social/political impact of the financial crisis, in particular the Crisis and 'Great 'Recession' of 2008 /9. "The Housing Boom and Bust" by Thomas Sowell. The European Crisis.
- 1/23 The Making of a Financial Crisis; Sowell book continued. Student research. Topic: Revolutions in Personal Financial Planning.
- 1/31 "Financing the Future" Allen and Yago. 'The Evolution of Finance' Chapter 1. Topic: Revolutions in Money and Capital Markets.
- 2/6 "Financing the Future" Capital Structure. Chapters 2 Topic: Revolutions in Corporate Finance.
- 2/13 Test 1 "Financing the Future" Chapters 3. Innovations in Business Finance. Topic: Revolutions in Financial Institutions.
- 2/20 "Financing the Future" Chapter 4. Innovations in Housing Finance. Topic: Revolutions in Real Estate.
- 3/27 "Financing the Future", Chapter 5, Environmental Finance. Topic: Revolutions in the Insurance Industry

3/3 - 3/11 SPRING BREAK!!!

- 3/12 "Financing the Future" Chapter 6 'Financing the Developing World" Topic: Revolutions in International Finance.
- 3/19 "Financing the Future" Chapter 7 'Financing Cures" Topic: Revolutions in Public Finance.
- 3/26 "Financing the Future" Chapter 8, Six Cardinal Rules of Financial Innovation". Topic: Revolutions in Investments.
- 4/2 Exam 2. Text: Buffet Beyond Value
- 4/9 Buffet Beyond Value continued . Student Research: Presentations and discussion.
- 4/16 Student Research: Presentations and discussion.
- 4/23 Student Research: Presentations and discussions..
- 4/30-5/4 Final Exams - Student portfolios are due the first day of final exams.

***This syllabus is subject to change with notice.