



**ECON 529**  
**Economics of Finance**  
**CRN 31182**

**Summer Session: 2023 05 – Term 2**

**Instructor:** Ke Xu  
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**Office Hours:** Wednesday 12:30pm-1:20pm or by appointment.

### **Course Content**

This is a course on asset pricing and financial markets. Mastering concepts and models as well as demonstrating knowledge of some institutional details will matter for successful completion of this class. The models are organized around three principles: Capital Asset Pricing Model, Efficient Market Hypothesis, and Option Valuation. These principles are fairly abstract and the associated models are quite mathematical.

We will cover fixed-income, equity and derivatives markets. This is viewed to be a challenging course. The course material is tricky and is best learned by hands-on involvement/active learning. There are two main active-learning components in this course. First, the exam material is best mastered by working on analytical problems – practice questions during the lecture and online assignment questions. Second, there are two group assignments involving empirical analysis with historical market data. Computational skills and academic writing are required to complete the assignments. Presentation skills are also required. A group presentation is required for the second group assignment.

### **Textbook**

**Required Textbook:** The main textbook for this course is *Investments*, 9th Canadian Edition, by Bodie, Kane, Marcus, Perrakis and Ryan (McGraw-Hill Ryerson). You will need Bodie bundled with a feature called “Connect” because we will be working with “Smartbook assignments”. Details and features about Smartbook can be found at the following link:

<http://www.mheducation.com/highered/platforms/connect/features-students.html>

Weekly online assignments will be created on Connect. The assignments are designed for students to read the textbook before the lectures. These assignments are only accessible through Connect. You can buy access to Connect from the publisher’s website. This will give you access to both the ebook and the Smartbook assignments. Instructions on how to register for Connect will be posted on Brightspace.

### **Grading**

The final grade is determined as follows:

One Midterm (June 6)          20%

Two group assignments	30% (15% each)
Smartbook assignments	10%
Attendance	5%
Final (June 30)	<u>35%</u>
Total	100%

**All exams are essential course requirements, meaning, they must be attempted in order to pass the course.**

**Group Assignments:** They are designed to allow students to learn the materials in depth and prepare for the exams. They will be posted on Brightspace and should be submitted in the dedicated assignment drop-box in the Economics Department before their deadlines. You may discuss with other groups how to answer them. However, each group must submit your own work, independently written up. A group presentation is required for the second group assignment.

*Note:* If caught copying other students' answers, the assignment will receive a grade of 0, and will be counted directly in the overall grade for the course. In addition, the standard procedures pertaining Academic Integrity will also be initiated.

**Midterm:** The date of the midterm exam is TBA. If you miss the midterm with a valid reason (see the departmental policy and the related medical form), the weight will be carried by the final exam. Should you miss an exam without prior approval of the instructor or appropriate medical proof, you will receive a grade of zero for that exam. *Note:* it is the student's responsibility to provide medical documentation in a timely manner.

**Final exam:** It is scheduled on the last day of class. Participation for all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. In the event of a missed final examination, students are advised to follow the procedures outlined in the [University Calendar](#).

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

Grading Scale:

A+	A	A-	B+	B	B-	C+	C	D	F or N
90-100	85-89	80-84	77-79	73-76	70-72	65-69	60-64	50-59	0-49

Students should review the University's more detailed [summary of grading](#).

**Brightspace**

- Brightspace is used extensively for the course. All students are expected to be fully functional with the system.
- The lecture notes will be posted in Brightspace. Please note that the lecture notes online are only outlines of the actual lectures.
- All announcements will be posted in Brightspace. Students are advised to check it frequently.

## **Course Policies**

This course adheres to the [Undergraduate Course Policies](#) of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Sexualized violence prevention and response
- Students with a disability
- Term assignments and debarment from examinations
- Travel plans
- Waitlists

The following policies are explicitly included because of their importance.

## **Waitlist Policies**

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not participate as specified in this outline during the first 7 calendar days for Term One, or the first 2 class meetings for Term Two and Three courses, may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course, and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

## **Academic Integrity**

Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the [Policy on Academic Integrity](#) in the University Calendar, is subject to penalty by the University.

Review [What is Plagiarism](#) for the definition of plagiarism. Note: Submitted work may be checked using plagiarism detection software.

## **Student Code of Conduct**

The Humanities, Science, and Social Sciences Faculties have adopted this [Student code of conduct](#). Please, review.

## **University Policy on Human Rights, Equity and Fairness**

The University is committed to promoting, providing and protecting a positive, supportive and safe learning and working environment for all its members.

See [General University Policies](#)

## **Accessibility & Health Resources**

### **Centre for Accessible Learning**

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, you are free to approach me; however, you must register with the [Centre for Accessible Learning](#) (CAL) for formal arrangements to be made. The CAL staff are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

[Health Services](#) - University Health Services (UHS) provides a full service primary health clinic for students, and coordinates healthy student and campus initiatives.

[Support Connect](#) - a 24/7 mental health support service for students

- Toll-free (calls from North America): 1-844-773-1427
- International collect calls: 1-250-999-7621

[Counselling Services](#) - Counselling Services can help you make the most of your university experience. They offer free professional, confidential, inclusive support to currently registered UVic students.

[Elders' Voices](#) - The Office of Indigenous Academic and Community Engagement (IACE) has the privilege of assembling a group of Elders from local communities to guide students, staff, faculty and administration in Indigenous ways of knowing and being.

## **Course Experience Survey (CES)**

I value your feedback on this course. Towards the end of term you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to the [CES log-in](#). You will use your UVic NetLink ID to access the survey, which can be completed on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

- What strengths did your **instructor** demonstrate that helped you learn in this course?
- Please provide specific suggestions as to how the **instructor** could have helped you learn more effectively.
- Please provide specific suggestions as to how this **course** could be improved.

### **E-mail correspondence**

Emails should be limited to critical matters, such as inability to attend class, an exam, or prolonged illness, and should include the course name and number in the subject line. Questions on course material should be asked during office hours or in class. The standard format for writing a letter must be used. This means it should begin with a salutation (e.g. Dear...), include full sentences and it must conclude with a signature that includes your **full name and V#**. Text message lingo should not be used.

### **Sexualized Violence Prevention & Response**

UVic takes sexualized violence seriously, and has raised the bar for what is considered acceptable behaviour. Students are encouraged to learn more about how the university defines sexualized violence and its overall approach by visiting [www.uvic.ca/svp](http://www.uvic.ca/svp). If you or someone you know has been impacted by sexualized violence and needs information, advice, and/or support please contact the sexualized violence resource office in Equity and Human Rights (EQHR). Contact [svpcoordinator@uvic.ca](mailto:svpcoordinator@uvic.ca).

### **UVic Land Acknowledgement**

*We acknowledge with respect the Lekwungen peoples on whose traditional territory the University of Victoria stands, and the Songhees, Esquimalt and WSÁNEĆ peoples whose historical relationships with the land continue to this day.*