

Sem: AU 2023 **Class Schedule:** Section 37236 - T, TH 12:45pm-2:05pm in GE 265
Section 37237 - M, W 12:45pm-2:05pm in SB 305

Instructor: Bradford Bodine

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Office Hours: By Appointment ([Make an Appointment](#))

Course Description:

This course focuses on the U.S. financial system and its major participants, including discussions regarding objectives and procedures for evaluating opportunities and pricing risk. Topics include the role and functions of the Federal Reserve System and related parties. This will include Investment Banking, Merchant Banking, Private Equity, Venture Capital, and newly evolving sources of capital (e.g. Reg A+, Tokenized Funding, etc.) as they relate to the raising and flow of capital in the U.S. and the Western capital markets. Coursework will also include the subtleties and dynamics of the global financial system.

Course Purpose:

The global financial system provides multi-national corporations, government agencies, governments, and private users of capital with access to capital needed to operate and grow. The workings of the capital markets system can provide feedback on management decisions corporate performance, and strategic opportunities to C-suite executives. This course will endeavor to prepare the student to understand, recognize, and successfully implement what is required to succeed in a business environment dependent on effective management of capital utilization.

Specific Student Learning Objectives:

- Understand the role of the U.S. financial system in a global economy
- Understand the relationship between asset prices, risk, and interest rates (in that order)
- Evaluate and demonstrate proficiency in decisions around capital market opportunities and specific management decisions
- Become a critical thinker around capital markets, specifically sources and uses

Required Texts and Materials:

- **The Capital Markets**, Evolution of the Financial Ecosystem (Gary Strumeyer, John Wiley & sons, Inc)
- **The Rise of Carry: The Dangerous Consequences of Volatility Suppression and the New Financial Order of Decaying Growth and Recurring Crisis** (Tim Lee, Jamie Lee, & Kevin Coldiron, McGraw Hill)
- Selected articles from *Wall Street Journal*, *Barron's*, and various other capital markets focused periodicals from which students will be required to be "current" and conversant

READING ASSIGNMENTS WILL BE LISTED IN CARMEN

Weekly Course Study:

- **Week 1** – Commercial Banking vs Investment Banking (TCM: Chs. 1,2, & 3 & TROC: Ch. 1)
- **Week 2** - Intro to the Fed and Interest Rates as Drivers of the Capital Markets (TCM: Ch. 4 & TROC Chs. 2 & 3))
- **Week 3** - Asset Classes in the Capital Markets (Cap Stack and Off-Balance Sheet Financing) (TROC: Ch 4)
- **Week 4** - Sources of Capital (investment cos, pensions, insurance, hedge funds, etc.) (TROC: Ch. 5)
- **Week 5** - Users of Capital (corporate, municipal, others) (TROC: Ch. 6)
- **Week 6** - Pricing Risk and the Pricing of Capital (regulatory & ratings agencies, TCM: Ch. 5 & TROC: Chs. 7-8)
- **MID-TERM**
- **Week 7** - Equity Capital Markets (in depth, TCM Chs. 25-28 & TROC Ch. 9)
- **Week 8** - Fixed Income Capital Markets (in depth, TCM: Chs. 8, 13 & 14 & TROC: Ch. 10)
- **Week 9** - The Bank Loan Market and Private Debt (TROC: Ch. 11)
- **Week 10** - Venture Capital and its Role (From Angel to Seed to Series A & B) (TROC: Ch. 12)
- **Week 11** - Private Equity and SPACs (7yr cycle, evergreen, secondaries and expected returns)
- **Week 12** - New Sources of Capital (Reg A, Reg A+, Tokenized Assets, Defi, etc) (TROC: Ch. 13)
- **Week 13** - Case Studies
- **Week 14** - Student Team Project Presentations (Corporate/Government Capitalization Plan)
- **Week 15** - Student Team Project Presentations (Corporate/Government Capitalization Plan)

Pre-requisites: 4211 (Corporate Finance) & 4221 (Investments)

Course Format: In-Person

Attendance: Students are expected to attend all classes

Course Grading and Testing:

- Class Participation/Quizzes (20%)
- Midterm (20%)
- Term Projects (30%)
- Final Exam (30%)

Grading Scale

Letter	A	A-	B+	B	B-	C+	C	C-	D+	D	E
(Points)	(4.0)	(3.7)	(3.3)	(3.0)	(2.7)	(2.3)	(2.0)	(1.7)	(1.3)	(1.0)	(0.0)
Range	100% - 93%	90% - 87%	83% - 80%	77% - 73%	70% - 67%	60% - 0%					

Note: Above percentages are % of overall points earned

Term Project Details:

Capital Markets – Term Project (team based)

- Teams of approximately 4 students
- Purpose of the exercise is to “pitch” a capital markets solution to a company
- 20 companies will be available from which your team is to choose one to “pitch”
- Each team member will perform a role:
 - Investment Banker
 - Capital Markets/Syndicate
 - Trader
 - Research
- Each member is to formulate an opinion as to the best way to present their market/specialization
- Roles will have specific functions:
 - Investment Banker will lead the group and ultimately decide on the “pitch”
 - Capital Markets person will guide the banker as to best execution for the company to raise capital by coordinating with Trader and Research
 - Trader’s job is to know their market and what the market will bear in terms of pricing and size
 - Research person’s job is to know exactly how to position the offering in the context of the sector. They should know their sector well.
- Final presentation will be done in front of the class towards the end of the term (expect approximately 20mins) and can be done in any format (slides, video, written, etc.)
- ALL MUST PARTICIPATE IN THE PROCESS
- This is NOT about being right, it is a demonstration that you have learned the “language of the Capital Markets, and that you have a thoughtful pitch which demonstrates your newly acquired, broader knowledge.
- The team will receive a group grade, so you will all rely on each other to succeed.
- We will also institute a “Peer Review” for grading fairness (more on this later in the term).
- I will be available to guide and to help you think about this. This is NOT a “GOTCHA” moment. It is less about the destination as it is the journey of discovery.
- GOOD LUCK!

Additional Policies:

USE OF ARTIFICIAL INTELLIGENCE (AI): Unless I specifically mention otherwise, the use of any AI-generated content in any deliverables in this course will be considered academic misconduct and will be acted on as such. Writing assignments will be turned in online and I will be using Turnitin and other applications that have AI detection algorithms. You need to complete the assignments using your own brain and your own thinking...which will lead to more of your own learning!

Student Life Disability Services (SLDS): Accommodations can be made for students who have registered with SLDS. In order to implement students' requests in a timely manner, please notify your instructor that you require accommodations by the end the first week of the semester. Please note that students are able to register with SLDS at any given point throughout the semester. If your accommodations change during the semester, you must notify the instructor as soon as you are aware of the change. It is the student's responsibility to notify the instructor and provide detailed information on which assignments, quizzes etc. require accommodations.

Technology Policy:

For IT help contact the Ohio State IT Service Desk ocio.osu.edu/help_servicedesk@osu.edu If none of the options below meet the needs of your situation, contact the IT Service Desk at 614-688-4357 (HELP) and IT support staff will work out a solution with you.

1. Required Technology Skills
 - Navigating Carmen: for questions about specific functionality, see the Carmen/Canvas Student Guide.
 - CarmenZoom virtual meetings
2. Required Equipment
 - Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection
 - Webcam: built-in or external webcam, fully installed and tested
 - Microphone: built-in laptop or tablet mic or external microphone
 - Mobile device (smartphone or tablet) or landline to use for BuckeyePass multi-factor authentication. It is recommended that you register multiple devices in case something happens to your primary device.
 - A financial calculator that IS NOT YOUR PHONE.

Course-specific Copyright Policy: Material provided by the instructor may not be re-posted anywhere without the explicit permission of instructors. See University Copyright Policy. The instructor reserves all rights to adjust the course syllabus throughout the semester. Students are responsible for ensuring they are following the most up-to-date version on Carmen.

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