**Pre-Requirements:**

Pre-requisite courses 4211 and 4221

**Course Format:**

In-class Lecture and Recitations

**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, NY Times, 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. 1-3 & TROC: Chs. 1& 2)
* **Week 2** -Intro to the Fed and Interest Rates as Drivers of the Capital Markets (TCM: Ch. 4 & TROC Ch. 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: Chs. 5&6)
* **Week 5** - Users of Capital (corporate, municipal, others) (TROC: Chs. 7&8)
* **Week 6** - Pricing Risk and the Pricing of Capital (regulatory & ratings agencies, TCM: Ch. 5 & TROC: Chs. 9&10)
* **MID-TERM**
* **Week 7** - Equity Capital Markets (in depth, TCM Chs. 25-28)
* **Week 8** - Fixed Income Capital Markets (in depth, TCM: Chs. 8, 13 & 14 & TROC: Chs. 11-12)
* **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. 13)
* **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)
* **Week 13** - Case Study
* **Week 14** - Student Team Project Presentations (Corporate/Government Capitalization Plan)
* **Week 15** - Student Team Project Presentations (Corporate/Government Capitalization Plan)

**Attendance:** Students are expected to attend all classes (no exceptions)

**Course Grading and Testing:**

* Class Participation/Quizes (20%)
* Midterm (20%)
* Term Projects (30%)
* Final Exam (30%)



**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:
	+ The Investment Banker will lead the group and ultimately decide on the “pitch”
	+ The Capital Markets person will guide the banker as to best execution for the company to raise capital by coordinating with Trader and Research
	+ The Trader’s job is to know their market and what the market will bear in terms of pricing and size
	+ The 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.
* The final presentation will be done in front of the class towards the end of the term (expect approximately 20 minutes) 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 you and to help you think about this. This is NOT a “GOTCHA” moment. It is less about the destination than it is about the journey of discovery.
* GOOD LUCK!

**ACADEMIC MISCONDUCT**

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute Academic Misconduct.

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: Any activity that tends to compromise the academic integrity of the University or subvert the educational process. Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an excuse for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

**If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct.** If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

**USE OF ARTIFICIAL INTELLIGENCE (AI):**

There has been a significant increase in the popularity and availability of a variety of generative artificial intelligence (AI) tools, including ChatGPT, Sudowrite and others. These tools will help shape the future of work, research and technology but when used in the wrong way, they can stand in conflict with academic integrity at Ohio State.

All students have important obligations under the [Code of Student Conduct](https://oaa.osu.edu/academic-integrity-and-misconduct) to complete all academic and scholarly activities with fairness and honesty. Our professional students also have the responsibility to uphold the professional and ethical standards found in their respective academic honor codes. Specifically, students are not to use unauthorized assistance in the laboratory, on field work, in scholarship or on a course assignment unless such assistance has been authorized specifically by the course instructor. In addition, students are not to submit their work without acknowledging any word-for-word use and/or paraphrasing of writing, ideas or other work that is not your own. These requirements apply to all students undergraduate, graduate, and professional.

To maintain a culture of integrity and respect, these generative AI tools should not be used in the completion of course assignments unless an instructor for a given course specifically authorizes their use. Some instructors may approve of using generative AI tools in the academic setting for specific goals. However, these tools should be used only with the explicit and clear permission of each individual instructor, and then only in the ways allowed by the instructor.

**TECHNOLOGY POLICY:**

For IT help contact the Ohio State IT Service Desk [ocio.osu.edu/help](http://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.

Required Technology Skills

Navigating Carmen: for questions about specific functionality, see the Carmen/Canvas Student Guide.

Carmen Zoom virtual meetings

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 devices (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.

**FINAL GRADE AND GRADING POLICY:** All grades are considered final within 24 hours of the final exam. If you have an issue that involves mis-grading (e.g. technical glitch, human error, or any other means by which you believe your grade is incorrect), **YOU MUST NOTIFY ME** (via email ONLY) within 24 hours of taking the final exam. **THERE WILL BE NO EXCEPTIONS!** In addition, haggling for extra points will be severely frowned upon, this includes how I grade attendance/participation and other “soft skills”.

**COMMUNICATION:** All dialogue with me is a good thing. The more you engage as a student, the better your learning experience will be. I am excited to teach you what I know, please be excited to engage and learn. While attendance is incredibly important, your class participation is equally important. Silence in this class is not an option. I will actively engage all of you to determine what is sinking in and being learned. This is not an attempt to catch anyone offside but rather is an effort to draw out your process of critical thinking and utilize the classic Socratic method of teaching for a multi-layered and complex subject.

**MEDICAL/COVID:** The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic,or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion.

If you are isolating while waiting for a COVID-19 test result, please let me know immediately. Those testing positive for COVID-19 should refer to the [Safe and Healthy Buckeyes site](https://safeandhealthy.osu.edu/tracing-isolation-quarantine) for resources. Beyond five days of the required COVID-19 isolation period, I may rely on Student Life Disability Services to establish further reasonable accommodations. You can connect with them at slds@osu.edu; 614-292-3307; or [slds.osu.edu](https://slds.osu.edu/).

**MENTAL HEALTH STATEMENT**

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University’s Student Life Counseling and Consultation Service (CCS) is here to support you. If you find yourself feeling isolated, anxious or overwhelmed, [on-demand mental health resources](https://go.osu.edu/ccsondemand) (go.osu.edu/ccsondemand) are available. You can reach an on-call counselor when CCS is closed at 614- 292-5766**. 24-hour emergency help** is available through the [National Suicide Prevention Lifeline website](https://suicidepreventionlifeline.org/) (suicidepreventionlifeline.org) or by calling 1-800-273-8255(TALK). [The Ohio State Wellness app](https://go.osu.edu/wellnessapp) (go.osu.edu/wellnessapp) is also a great resource.

# RELIGIOUS ACCOMMODATIONS

Ohio State has had a longstanding practice of making reasonable academic accommodations for students’ religious beliefs and practices in accordance with applicable law. In 2023, Ohio State updated its practice to align with new state legislation. Under this new provision, students must be in early communication with their instructors regarding any known accommodation requests for religious beliefs and practices, providing notice of specific dates for which they request alternative accommodations within 14 days after the first instructional day of the course. Instructors in turn shall not question the sincerity of a student’s religious or spiritual belief system in reviewing such requests and shall keep requests for accommodations confidential.

With sufficient notice, instructors will provide students with reasonable alternative accommodations with regard to examinations and other academic requirements with respect to students’ sincerely held religious beliefs and practices by allowing up to three absences each semester for the student to attend or participate in religious activities. Examples of religious accommodations can include, but are not limited to, rescheduling an exam, altering the time of a student’s presentation, allowing make-up assignments to substitute for missed class work, or flexibility in due dates or research responsibilities. If concerns arise about a requested accommodation, instructors are to consult their tenure initiating unit head for assistance.

A student’s request for time off shall be provided if the student’s sincerely held religious belief or practice severely affects the student’s ability to take an exam or meet an academic requirement **and** the student has notified their instructor, in writing during the first 14 days after the course begins, of the date of each absence. Although students are required to provide notice within the first 14 days after a course begins, instructors are strongly encouraged to work with the student to provide a reasonable accommodation if a request is made outside the notice period. A student may not be penalized for an absence approved under this policy.

If students have questions or disputes related to academic accommodations, they should contact their course instructor, and then their department or college office. For questions or to report discrimination or harassment based on religion, individuals should contact the Civil Rights Compliance Office.

Policy: [Religious Holidays, Holy Days and Observances](https://oaa.osu.edu/religious-holidays-holy-days-and-observances)

# DISABILITY STATEMENT

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. You can connect with them at slds@osu.edu; 614-292-3307; or slds.osu.edu. or in person at 98 Baker Hall, 113 W. 12th Ave.

## Creating an Environment Free from Harassment, Discrimination, and Sexual Misconduct

The Ohio State University is committed to building and maintaining a community to reflect diversity and to improve opportunities for all. All Buckeyes have the right to be free from harassment, discrimination, and sexual misconduct. Ohio State does not discriminate on the basis of age, ancestry, color, disability, ethnicity, gender, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, pregnancy (childbirth, false pregnancy, termination of pregnancy, or recovery therefrom), race, religion, sex, sexual orientation, or protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment. Members of the university community also have the right to be free from all forms of sexual misconduct: sexual harassment, sexual assault, relationship violence, stalking, and sexual exploitation.

To report harassment, discrimination, sexual misconduct, or retaliation and/or seek confidential and non-confidential resources and supportive measures, contact the Civil Rights Compliance Office:

Online reporting form at <http://civilrights.osu.edu/>,

Call 614-247-5838 or TTY 614-688-8605,

Or Email equity@osu.edu

The university is committed to stopping sexual misconduct, preventing its recurrence, eliminating any hostile environment, and remedying its discriminatory effects. All university employees have reporting responsibilities to the Civil Rights Compliance Office to ensure the university can take appropriate action:

* All university employees, except those exempted by legal privilege of confidentiality or expressly identified as a confidential reporter, have an obligation to report incidents of sexual assault immediately.
* The following employees have an obligation to report all other forms of sexual misconduct as soon as practicable but at most within five workdays of becoming aware of such information: 1. Any human resource professional (HRP); 2. Anyone who supervises faculty, staff, students, or volunteers; 3. Chair/director; and 4. Faculty member.

**TESTING POLICY**

There are no make-ups for quizzes. Missed quizzes will be recorded as a “0”. Missed exams can only be made-up in extreme cases (e.g., death of family member, personal hospitalization, etc.) with proper documentation (e.g., a physician’s note, ER paperwork, obituary, etc.). Each decision of potentially allowing a make-up exam is made by the instructor on a case-by-case basis. Additionally, you MUST contact the instructor (bodine.37@osu.edu) as soon as you know of a potential problem or conflict with an exam date. Alternative methods (e.g., oral exam, essay) of testing may be used for make-up exams. If you are experiencing an extreme situation or emergency, please attempt to notify the instructor (bodine.37@osu.edu) email ASAP.

**I RESERVE THE RIGHT TO CHANGE THIS SYLLABUS WITH REASONABLE NOTICE**