



UNIVERSITY OF FLORIDA

Graduate Programs in Business
Warrington College of Business Administration
Fisher School of Accounting
John Kraft, Dean

100 Bryan Hall * P.O. Box 117150
Gainesville, Florida 32611-7150
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Tele: (352) 392-2397, Ext. 1217 * Fax (352) 392-2086

GENERAL FACULTY MEETING
APRIL 28, 1998
BUS 102 ** 1:00 P.M.
AGENDA

1. Minutes of February 24, 1998 (attachment 1)
2. Proposed Curriculum Changes (*support materials available for review in Dean's office*)

Undergraduate Committee:

The Undergraduate Committee has asked that the following curriculum changes be presented at the next Faculty Meeting for approval.

Change to Major Requirements

Change requirements for an undergraduate major in marketing from four courses to three courses, dropping the requirement for students to take an elective in addition to Consumer Behavior (MAR 3503), Marketing Research (MAR 4613) and Marketing Management (MAR 4806).

Change Preprofessional

Change Preprofessional GPA requirement for DIS Majors from ~~2.5~~^{2.75} to 3.0

Change Credit

ECO 4970 Title: Honors Thesis Credits: Currently – 1-3 Change to – 1-4

Change Prerequisite

ISM 4421 Title: Knowledge-Based Systems in Business Prerequisites: Currently – ISM 3011 Change to – NONE

ISM 4220 Title: Introduction to Business Data Communications
Prerequisites: Currently – ISM 3011 and one of the following courses on procedural languages; CIS 3020, CGS 3403, CGS 2420, CGS 3460, or CGS 3462 Change to – One of the following courses on procedural CIS 3020, CGS 3403, CGS 2420, CGS 3460, or CGS 3462

REE 4103 Title: Real Estate Valuation
Pre/Corequisites: Currently – Prereq: FIN 3408 with a grade of C or higher — Change to – Corequisite: REE3043

Change Description

ECO 4905 Title: Individual Work
Description: For advanced students who need to supplement regular course work by individual studies under guidance. Economic majors may not use this course to fulfill requirements for the major.

New Course

ECO 4730 Title: The Firm in the Global Economy
Credits: 4
Description: Integrated approach to the international operations and environment of the firm. The richness and diversity of the global business environment affect virtually all functional operations of firms. An overview of the patterns of international corporate strategies; international taxation and government policies affecting the firm in the global economy; exchange risk; working capital management; and foreign investment analysis.
Prereqs: ECO 3703, ECO 3704, and FIN 3408

3. Dean's Report
4. Other Business

1. Minutes of February 24, 1998 (*attachment 1*)
2. **Graduate Committee:** The Graduate Committee has approved the following course changes and they have requested that these changes be presented at the next Graduate Faculty Meeting for approval (**support materials available for review in Dean's office**)

New Courses

- MAR 7670** Title: Building Mathematical Models in Marketing
Credits: 3
Description: Ph.D. level course covering a variety of issues and approaches for building and analyzing mathematical models of marketing phenomena and related decision problems.
- MAR 7626** Title: Multivariate Statistical Methods in Marketing
Credits: 3
Description: Review of the application of multivariate methods including multiple regression; factor, discriminant and cluster analysis; and conjoint measurement to summarize and analyze marketing data.

Change Prerequisite

- REE 6092** Title: Corporate and International Real Estate
Pre/Corequisites: Currently – Corequisite: REE 6505 - Change to- Prereq: REE 6505 or REE 6206 or REE 6705
- REE 6206** Title: Primary Mortgage Markets and institutions
Corequisite: Currently – REE 6505 – Change to – None
- REE 6208** Title: Secondary Mortgage Markets and Securitization
Corequisite: Currently – REE 6505 – Change to – None
- REE 6705** Title: Geographic Information Systems and Location Analysis
Corequisite: Currently – REE 6505 – Change to – None
- REE 6707** Title: Urban Market Research
Corequisite: Currently – REE 6505 – Change to – None

MBA Committee: The MBA Committee has requested that the following curriculum changes be presented at the next Graduate Faculty Meeting for approval.

Change Title

- MAR 6508** Title: Currently – Consumer Behavior – Change to – Customer Analysis

New Courses

- MAR 6936** Title: Special Topics in Marketing
Credits: 2
Description: Selected topics in marketing management, research or theory
Prerequisite: Consent of Instructor
- GEB 5...** Title: Professional Writing in Business
Credit: Variable 1-3, Max 6
Description: This course targets the most common, important, and challenging types of writing required in business, including memos, executive summaries, mission statements, marketing and SWOT analysis, product and management structure descriptions, marketing and business plans. In addition to learning how to write with maximum clarity and concision, students also learn the conventions and psychological principles governing readers' preferences and assumptions – and how to structure their writing to capitalize on them.
- GEB 5...** Title: Professional Communication in Business
Credit: Variable 1-3, Max 6
Prerequisite: GEB 5... (new course – Professional Writing in Business)
Description: This course provides a balance between descriptive information and application of organizational communication theories and technique for business and professional speaking. The course's four oral assignments include two individual and two group presentations. In addition to improving oral communication skills and techniques, students also learn communication audit strategies and intervention implementations.

3. Dean's Report
4. Other Business



UNIVERSITY OF FLORIDA

Graduate Programs in Business
Warrington College of Business Administration
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MINUTES/GENERAL FACULTY MEETING TUESDAY, APRIL 28, 1998 BUS 102 @ 1:00 PM

1. Minutes approved of 02/24/98 meeting.
2. Drs. Weitz, West, Brown, and Erenguc discussed curriculum changes. See attached agenda.

Mar 3503, MAR 4613, MAR 4806
ECO 4970
ISM 4421, ISM 4220
REE 4103
ECO 4905, ECO 4730

All changes were approved by majority vote.

3. Motion made and seconded to adjourn. Passed

GRADUATE FACULTY MEETING 04/28/98 BUS 102

1. Minutes approved of 02/24/98 meeting.
2. Drs. Weitz and Brown discussed curriculum changes proposed by Graduate Committee. See attached agenda.

MAR 7670, MAR 7626
REE 6092, REE 6206, REE 6208, REE 6705, REE 6707

All changes were approved by majority vote.

April 30, 1998

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3. Drs. Alba and Tapley discussed curriculum changes proposed by the MBA Committee. See attached agenda.

MAR 6508, Mar 6936
GEB 5..., GEB 5...

All changes were approved by majority vote.

4. Dr. McCollough discussed the meeting with the Provost regarding budget matters.
5. Dr. McCollough reminded the faculty about the survey forms for EBI and the annual reports. Also the information on technical equipment needs.
6. Dean Kraft announced that the College had been reaccredited by the AACSB.
7. A motion was made and seconded to adjourn. Passed

University of Florida Campaign
It's Performance That Counts
Commitments as of June 30, 1998

Unit	Goal	Recorded to Date	Percent of Goal	Recorded Since Last Report
Architecture	17,000,000	9,304,185	54.7%	13,700
Athletics	21,775,000	28,914,856	132.8%	1,482,223
Business Administration	52,910,000	42,489,876	80.3%	129,429
Center for the Performing Arts	8,500,000	1,389,474	16.3%	143,744
Dentistry	6,500,000	2,666,577	41.0%	49,155
Education	11,800,000	4,245,148	36.0%	29,726
Engineering	38,436,000	16,649,460	43.3%	2,693,870
Fine Arts	4,250,000	2,433,418	57.3%	90,401
Florida Museum of Natural History	6,768,500	3,877,784	57.3%	25,929
Harn Art Museum	6,050,000	4,115,485	68.0%	-118,278
Health & Human Performance	2,100,000	1,162,602	55.4%	89,874
Health Center & Shands	23,187,500	10,910,558	47.1%	-82
Health Professions	2,050,000	1,056,589	51.5%	1,517
I.F.A.S.	54,125,000	26,415,930	48.8%	821,608
Journalism	13,100,000	17,088,238	130.4%	123,971
Law	27,500,000	15,068,510	54.8%	3,003,172
Liberal Arts & Sciences	30,240,000	25,126,740	83.1%	84,464
Libraries	5,000,000	722,712	14.5%	4,598
Medicine	67,560,000	75,389,494	111.6%	1,489,040
Miscellaneous*	63,723,000	69,574,889	109.2%	1,601,129
Nursing	4,100,000	1,852,522	45.2%	2,450
Pharmacy	12,325,000	8,070,484	65.5%	82,927
Student Affairs	6,100,000	2,070,454	33.9%	-1,121,509
Veterinary Medicine	14,900,000	7,055,040	47.3%	159,964
	\$500,000,000	\$377,651,025	75.5%	\$10,883,022

* Includes \$21,088,449 in Gator Boosters ticket related money, Latin American Studies, UF Unrestricted and other miscellaneous.

Run Date: 07/08/98

**Warrington College of Business
and
Fisher School of Accounting**

Proposals Outstanding

Project	Private Amount	State Match	Total	Pending
International Business Center	\$8,000,000	\$8,000,000	\$16,000,000	
MBA Program Endowment	\$5,000,000	\$5,000,000	\$10,000,000	
Fisher School Building Proposals (5)	\$2,250,000	\$2,250,000	\$4,500,000	
Naming new building for Fisher School	\$2,000,000	\$2,000,000	\$4,000,000	
Naming Business Building	\$2,000,000	\$2,000,000	\$4,000,000	\$2,000,000
Masters Degree Program in Finance	\$1,000,000	\$750,000	\$1,750,000	
MBA Internship Program/MBA Scholars	\$1,000,000	\$750,000	\$1,750,000	
Financial Services Program/MBA Scholars	\$875,210	\$503,250	\$1,222,178	
Naming Center for Retail Education & Research	\$1,000,000	\$750,000	\$1,750,000	
Computer Software, Training and Database	\$1,500,000	\$0	\$1,500,000	\$1,500,000
Real Estate Course Series Endowment	\$600,000	\$420,000	\$1,020,000	
Public Policy Research Center Endowment	\$750,000	\$0	\$750,000	
Ethics Course Series Endowment	\$1,000,000	\$750,000	\$1,750,000	
Accounting Program Endowment	\$250,000	\$0	\$250,000	
Public Utilities Research Center Fund	\$160,000	\$0	\$160,000	\$112,000
MBA Corporate Fellowship	\$100,000	\$50,000	\$150,000	
MBA Alumni Fellowship	\$100,000	\$50,000	\$150,000	
MBA Scholarship Endowment	\$100,000	\$50,000	\$150,000	
Ethics Term Program Fund	\$600,000	\$0	\$600,000	
Totals	\$20,285,210	\$15,323,250	\$35,452,178	\$3,612,000

Additional Priorities for Naming Opportunities

Project	Minimum Gift	State Match	Total
Renovating and adding Name to Matherly Hall	\$3,000,000	\$3,000,000	\$6,000,000
Updating and adding Name to Bryan Hall	\$2,000,000	\$2,000,000	\$4,000,000
Naming Supply Chain/Logistics Courses Series	\$600,000	\$420,000	\$1,020,000
Naming Latin America Business Course Series	\$1,000,000	\$750,000	\$1,750,000
Naming Global Business Course Series	\$1,000,000	\$750,000	\$1,750,000
Naming International Business Course Series	\$600,000	\$420,000	\$1,020,000
Naming MBA Computer Lab	\$600,000	\$420,000	\$1,020,000
Naming Undergraduate Computer Lab	\$500,000	\$0	\$500,000
Naming Ph.D. Research Fund	\$5,000,000	\$5,000,000	\$10,000,000
Naming Graduate Programs in Business	\$20,000,000	\$20,000,000	\$40,000,000
Naming Technology Management Course Series	\$600,000	\$420,000	\$1,020,000
Naming Public Utilities Research Center	\$1,000,000	\$750,000	\$1,750,000
Naming Center for Entrepreneurship	\$1,000,000	\$750,000	\$1,750,000
Naming MBA Career Services Center	\$1,000,000	\$750,000	\$1,750,000
Naming MBA Scholars Program	\$2,000,000	\$2,000,000	\$4,000,000

Potential New Goals

Naming a New MBA Building	\$3,000,000	\$3,000,000	\$6,000,000
Endowing New MBA Building	\$2,000,000	\$2,000,000	\$4,000,000
MBA Scholars Endowments	\$1,500,000	\$500,000	\$2,000,000

Proposals Likely to Close in FY99

Fisher School Building Proposals (5)	\$4,500,000
Fisher School Building Naming Gift	\$4,000,000
Financial Services Program/MBA Scholars	\$1,222,178
Masters Degree Program in Finance	\$1,750,000
Naming Center for Retail Education & Research	\$1,750,000
Public Policy Research Center Endowment	\$750,000
Ethics Term Program Fund	\$600,000
Accounting Endowment	\$250,000
MBA Scholarship	\$150,000
Total	\$14,972,178

Florida Department of Education
Statewide Course Numbering System
Course Termination or Change Transmittal Form
(See instructions on reverse side)

Form UCC2
Attachment #3

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida	District Code: 00	Institutional Code: 001535	Instructional Unit or Department: BUSINESS ADMIN-GENERAL
Terminate Current Course: Effective term (month/year):			CONTACT SHARON HAUGHTON
Current SCNS Course Identification:			
Discipline (SMA) _____ Prefix GEB Level 4 Course Number 4956 Lab Code _____ Contact Hour Base _____ or Head Count X			
Institution's Course Title: International Studies in Business			
Change Course As Indicated Below:			
Item to Change	Change From	Change To	
Reclassify: Pref, No., Lab Code	(See above)		
Level	(See above)		
Amount of Credit	1-4 credits	1-6 credits	
Contact Hour Base or Head Count			
Prerequisites/Corequisites			
Change Course Title:			
Change Course Description (Course syllabus must be attached.):			
Intended Students (Mark all that apply.):			
<input type="checkbox"/> Undergraduate Nonmajors <input type="checkbox"/> Graduate Students <input type="checkbox"/> Other (specify): <input type="checkbox"/> Undergraduate Majors <input type="checkbox"/> Honors Students <input type="checkbox"/> Advanced Undergraduates			
Category of Instruction:			
<input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input type="checkbox"/> Advanced			
Effective Term (month/year):	Department Contact and Telephone Number:		
Signature, Department Chair: _____ (Date) _____	Signature, College Dean: _____ (Date) _____		
Signature, Graduate Dean (if applicable): _____ (Date) _____	Signature, Institutional Contact: _____ (Date) _____		

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code):	
If not the same as recommended by institution, please explain:	
SCNS Course Title (if new): _____	
Decade Title (if new): _____	
Century Title (if new): _____	
Signature, Faculty Discipline Committee Representative _____	Date _____

Part III: SCNS Staff Use Only

Signature _____	Date Entered _____	Correspondence Number _____
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Florida Department of Education
 Statewide Course Numbering System
New Course Transmittal Form
 (see instructions on reverse side)

Form UCC1
~~Attachment #4~~

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida	District Code: 00	Institutional Code: 001535	Instructional Unit or Department: Economics - Contact SHARON HAUG
Add Course As Indicated Below:			
Recommended SCNS Course Identification: Discipline (SMA) _____ Prefix ECO Level 7 Course Number 272 Lab Code _____ Contact Hour Base X or Head Count _____			
Institution's Course Title: Economic Growth I			
Amount of Credit: Variable, 1 or 2		If Repeatable Credit or Variable Credit: _____ total repeatable credit allowed	
Instructor: Elias Dinopoulos		_____ minimum / _____ maximum credit within a semester	
Course Description (Course syllabus, grading criteria, and reading list must be attached.): The course provides an introduction and overview of theoretical and empirical developments in the determinants of long-run standards of living.			
Prerequisites: ECO 7115 & ECO 7415			
Corequisites: ECO 7406			
Intended Students (Mark all that apply.):			
<input type="checkbox"/> Undergraduate Nonmajors <input checked="" type="checkbox"/> Graduate Students <input type="checkbox"/> Other (specify):			
<input type="checkbox"/> Undergraduate Majors <input type="checkbox"/> Honors Students			
<input type="checkbox"/> Advanced Undergraduates			
Category of instruction: <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced Ph.D.			
List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.			
Effective Term (first term/year course will be offered): Fall 1999		Department Contact and Telephone Number: Carol T. West (392-0151)	
Signature, Department Chair: Carol T. West		Signature, College Dean:	
(Date) 6/3/99		(Date)	
Signature, Graduate Dean (if applicable):		Signature, Institutional Contact:	
(Date)		(Date)	

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code):	
If not the same as recommended by institution, please explain:	
SCNS Course Title (if new): _____	
Decade Title (if new): _____	
Century Title (if new): _____	
Signature, Faculty Discipline Committee Representative	Date

Part III: SCNS Staff Use Only

Signature	Date Entered	Correspondence Number
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**DEPARTMENT OF ECONOMICS
UNIVERSITY OF FLORIDA**

ECO 7270

Economic Growth I

Instructor: Elias Dinopoulos
Office: Matherly 310
Telephone: 392-8150
Office Hours: TBA

SYLLABUS

Course Description: The course provides an introduction and overview of theoretical and empirical developments in the determinants of long-run standards of living. New analytical tools and research topics will be presented. We will cover the neoclassical model of growth and discuss its policy and empirical implications; the human capital approach to economic growth; early models of Schumpeterian (R&D-based) growth; the empirical validity of earlier Schumpeterian growth models and the scale effects problem; models of growth without scale effects. The emphasis of this module will be theoretical, although several empirical contributions that have tested growth theories will be presented as well.

Techniques: Growth models are using a dynamic general equilibrium framework that incorporates uncertainty and in some instances imperfect competition. Students should be familiar (or willing to learn) with dynamic optimal control, production theory, game theory and general equilibrium. I will make a special effort to present the relevant material in a simple fashion focusing on the economic intuition. However, many articles in the literature use the above mentioned tools to describe various issues related to the course.

Grades: There will be a test and a cumulative final examination. Grade weights will be approximately as follows: test 40 percent, final examination 60 percent.

Textbook: Philippe Aghion and Peter Howitt, *Endogenous Growth Theory*, MIT Press, 1998, First Edition. Will be referred to as Aghion and Howitt and required.

COURSE OUTLINE

1. Neoclassical Growth.

Solow, Robert M., (1956), "A Contribution to the Theory of Economic Growth", *Quarterly Journal of Economics*, 70: 65 -94.

Jones Hywel. (1976), *An Introduction to Modern Theories of Economic Growth*. McGraw-Hill. Chapter 4, "The Neoclassical One-Sector Model of Growth".

Aghion and Howitt, Chapter 1, "Toward Endogenous Growth".

2. Human-capital and Economic Growth.

Lucas. Robert, (1988), "On the Mechanics of Economic Development", *Journal of Monetary Economics*, 22 (1): 3-42.

Lucas. Robert, (1990), "Why Doesn't Capital Flow from Rich to Poor Countries?", *American Economic Review*, May, 80, 2, 92-96.

3. Early Schumpeterian Growth Models

Dinopoulos, Elias, (1993), "Schumpeterian Growth Theory: An Overview", *Osaka City University Economic Review*, 29, 1-21.

Aghion and Howitt, Chapter 2, "The Schumpeterian Approach".

Romer, Paul, (1990), "Endogenous Technological Change", *Journal of Political Economy*, 98, S71-S102.

Grossman, Gene and Elhanan Helpman, (1991), *Innovation and Growth in the Global Economy*, MIT Press, Chapter 8, "Quality Ladders in the Theory of Growth".

Segerstrom, Paul. T.C.A. Anant and Elias Dinopoulos, (1990), "A Schumpeterian Model of the Product Life Cycle", *American Economic Review*. 80. 1077-91.

4. Scale Effects and Schumpeterian Growth.

Dinopoulos, Elias and Peter Thompson, (1998), "Scale Effects in neo-Schumpeterian Models of Growth", University of Houston, mimeo.

Jones, Charles, (1995a), "Time Series Tests of Endogenous Growth Models", *Quarterly Journal of Economics*, 110, 495-525.

Jones, Charles, (1995b), "R&D-based Models of Economic Growth", *Journal of Political Economy*, 103, 759-84.

Segerstrom, Paul. (1998), "Endogenous Growth Without Scale Effects". *American Economic Review*. forthcoming.

Young, Alwyn, (1998), "Growth Without Scale Effects". *Journal of Political Economy*, 106. . .
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Aghion and Howitt, chapter 12, "Testing for Endogenous Growth".

Dinopoulos, Elias and Peter Thompson. (1998), " Schumpeterian Growth Without Scale Effects", University of Houston, mimeo.

Dinopoulos, Elias, Paul Segerstrom and Costantinos Syropoulos, (1998), " Innovation-blocking Activities in the Theory of Schumpeterian Growth". University of Florida. mimeo.

Dinopoulos, Elias and Peter Thompson. (1998), "Endogenous Growth in a Cross Section of Countries", University of Houston. mimeo.

5. Topics in Growth Theory.

Aghion and Howitt, Chapter 4, "Growth and Unemployment"

Aghion and Howitt, Chapter 8, "Growth and Cycles"

Dinopoulos, Elias and Paul Segerstrom, (1998), "A Schumpeterian Model of Protection and Relative Wages", *American Economic Review*, forthcoming.

Florida Department of Education
Statewide Course Numbering System
New Course Transmittal Form
(see instructions on reverse side)

Form UCC1
Attachment #4

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida	District Code: 00	Institutional Code: 001535	Instructional Unit or Department: Economics
Add Course As Indicated Below:			<i>(CONTACT SHARON HAUGHTON)</i>
Recommended SCNS Course Identification: Discipline (SMA) _____ Prefix ECO Level 7 Course Number 273 Lab Code _____ Contact Hour Base X or Head Count _____			
Institution's Course Title: Economic Growth II			
Amount of Credit: Variable: 1 or 2		If Repeatable Credit or Variable Credit: _____ total repeatable credit allowed	
Instructor: James D. Adams		_____ minimum / _____ maximum credit within a semester	
Course Description (Course syllabus, grading criteria, and reading list must be attached.): The course covers extensions of the theory and empirical analysis of economic growth with an emphasis on the micro foundations of growth.			
Prerequisites: ECO 7272			
Corequisites:			
Intended Students (Mark all that apply.):			
<input type="checkbox"/> Undergraduate Nonmajors		<input checked="" type="checkbox"/> Graduate Students	
<input type="checkbox"/> Undergraduate Majors		<input type="checkbox"/> Honors Students	
<input type="checkbox"/> Advanced Undergraduates		<input type="checkbox"/> Other (specify):	
Category of Instruction: <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced Ph.D.			
List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.			
Effective Term (first term/year course will be offered): Fall 1999		Department Contact and Telephone Number: Carol T. West (392-0151)	
Signature, Department Chair: <i>Carol T. West</i>		Signature, College Dean:	
(Date): 6/3/98		(Date):	
Signature, Graduate Dean (if applicable):		Signature, Institutional Contact:	
(Date):		(Date):	

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code):	
If not the same as recommended by institution, please explain:	
SCNS Course Title (if new):	
Decade Title (if new):	
Century Title (if new):	
Signature, Faculty Discipline Committee Representative	Date

Part III: SCNS Staff Use Only

Signature	Date Entered	Correspondence Number
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DEPARTMENT OF ECONOMICS
UNIVERSITY OF FLORIDA
ECO 7271

Economic Growth II

Instructor: James D. Adams
Office: Matherly 330
Telephone: 392-0124
Office Hours: TBA

SYLLABUS

Course Description: The course covers extensions of the theory and empirical analysis of economic growth, with emphasis on the micro foundations of growth. We shall review tests of neoclassical and endogenous growth theory under the heading of Convergence. We shall consider extensions of growth theory that include endogenous population growth and its reciprocal implications for growth in income per capita; and we shall then turn to some interesting extensions of the mechanisms of growth. Finally, we shall touch on a vast literature that studies the organization of science and industrial R&D, and another that tests for spillovers of R&D, and the mechanism of R&D spillovers. These areas are the micro foundations of growth.

Techniques: Growth models are based on the theory of dynamic general equilibrium. Tests of growth theory and explorations of the micro foundations of growth use results from growth theory, industrial organization, and econometrics. Students should be familiar with fundamentals of dynamic optimal control, the theory of general equilibrium, and econometrics.

Grades: There will be a midterm, a cumulative final examination, and a review paper. Weights will be: midterm, 40 percent. final examination, 60 percent.

Textbooks:

Philippe Aghion and Peter Howitt, *Endogenous Growth Theory*, MIT Press, 1998, First Edition.
Referred to as Aghion and Howitt (required).

COURSE OUTLINE

1. **Convergence: Tests of Growth Theory.**

Aghion and Howitt, Ch. 12, "Testing for Endogenous Growth".

Barro, Robert J., "Economic Growth in a Cross Section of Countries," *Quarterly Journal of*

Economics 106 (1991): 407-444.

Barro, Robert J., and Xavier Sala-i-Martin, "Convergence." *Journal of Political Economy* 100 (1995): 223-251.

Bernard, Andrew B., and Charles I. Jones, "Technology and Convergence." *The Economic Journal* 106 (1996): 1037-1044.

Dinopoulos, Elias and Peter Thompson, "Reassessing the Empirical Validity of the Human-Capital Augmented Neoclassical Growth Model". *Journal of Evolutionary Economics*, forthcoming.

Mankiw, N. Gregory, David Romer, and David N. Weil, "A Contribution to the Empirics of Economic Growth," *Quarterly Journal of Economics* 107 (1992): 407-437.

2. Fertility and Economic Growth.

Becker, Gary S., and Robert J. Barro, "A Reformulation of the Economic Theory of Fertility," *Quarterly Journal of Economics* 103 (1988): 1-25.

Becker, Gary S., Kevin M. Murphy, and Robert Tamura, "Human Capital, Fertility, and Economic Growth," *Journal of Political Economy* 98 (1990): S12-S37.

Kremer, Michael, "Population Growth and Technological Change: One Million B.C. to 1990," *Quarterly Journal of Economics* 108 (1993): 681-716.

3. Growth Theory: Theme and Variations.

Becker, Gary S., and Kevin M. Murphy, "The Division of Labor, Coordination Costs, and Knowledge," *Quarterly Journal of Economics* 107 (1992): 1137-1160.

Kremer, Michael, "The O-Ring Theory of Economic Development." *Quarterly Journal of Economics* 108 (1993): 551-576.

Murphy, Kevin M., Andrei Shleifer, and Robert W. Vishny, "The Allocation of Talent: Implications for Growth," *Quarterly Journal of Economics* 106 (1991): 503-530.

4. Microfoundations of Growth: Ideas.

Aghion and Howitt, Chapter 7, "Market Structure," Chapters 13 and 14, "Organizing R&D".

Cohen, Wesley M., and Daniel A. Levinthal, "Innovation and Learning: the Two Faces of R&D,"

The Economic Journal 99 (1989): 569-596.

Griliches, Zvi, "The Search for R&D Spillovers," *Scandinavian Journal of Economics* 94 (1992): 29-47.

Kortum, Sam, "Research, Patenting, and Technological Change," *Econometrica* 65 (1997): 1389-1419.

Krugman, Paul, **Geography and Trade**. Cambridge, Massachusetts: MIT Press. 1991.

5. Microfoundations of Growth: Evidence.

Adams, James D., "Fundamental Stocks of Knowledge and Productivity Growth," *Journal of Political Economy* 98 (1990): 673-702.

Adams, James D., and Adam B. Jaffe, "Bounding the Effects of R&D: An Investigation Using Matched Establishment-Firm Data," *RAND Journal of Economics* 27 (1996): 700-721.

Adams, James D., and Zvi Griliches, "Research Productivity in a System of Universities," forthcoming in *Annals of INSEE* (1998).

Adams, James D., "The Structure of Firm R&D, the Factor Intensity of Production, and Skill Bias," manuscript 1998.

Adams, James D., "University Research and Industrial Innovation," manuscript 1998.

Griliches, Zvi, "Productivity, R&D, and the Data Constraint," *American Economic Review* 84 (1994): 1-23.

Henderson, Rebecca, and Iain Cockburn, "Scale, Scope, and Spillovers: the Determinants of Research Productivity in Drug Discovery," *RAND Journal of Economics* 27 (1996): 32-59.

Jaffe, Adam B., "Technological Opportunity and Spillovers of R&D: Evidence from Firm's Patents, Profits, and Stock Market Value," *American Economic Review* 76 (1986): 984-1001.

Florida Department of Education
 Statewide Course Numbering System
New Course Transmittal Form
 (see instructions on reverse side)

Form UCC1
 Attachment #4

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida	District Code: 00	Institutional Code: 001535	Instructional Unit or Department: Finance, Insurance & Real Estate
Add Course As Indicated Below:			
Recommended SCNS Course Identification: Discipline (SMA) _____ Prefix FIN Level 5 Course Number 244 Lab Code _____ Contact Hour Base 04 or Head Count _____			
Institution's Course Title: <p style="text-align: center;">Debt and Money Markets</p>			
Amount of Credit: 04		If Repeatable Credit or Variable Credit: _____ total repeatable credit allowed	
Instructor: _____		_____ minimum / _____ maximum credit within a semester	
Course Description (Course syllabus, grading criteria, and reading list must be attached.): Financial markets; institutions and instruments associated with debt funds; the determinants of the general level and structure of interest rates.			
Prerequisites:			
Corequisites:			
Intended Students (Mark all that apply.): <input type="checkbox"/> Undergraduate Nonmajors <input type="checkbox"/> Undergraduate Majors <input type="checkbox"/> Advanced Undergraduates <input checked="" type="checkbox"/> Graduate Students <input type="checkbox"/> Honors Students <input type="checkbox"/> Other (specify): _____			
Category of Instruction: <input type="checkbox"/> Introductory <input checked="" type="checkbox"/> Intermediate <input type="checkbox"/> Advanced			
List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.			
Effective Term (first term/year course will be offered): Spring 1999		Department Contact and Telephone Number: Priscilla Kenney 2-0153	
Signature, Department Chair: <i>Michael D. Papp</i>		Signature, College Dean:	
(Date): 8-13-98		(Date): _____	
Signature, Graduate Dean (if applicable): _____		Signature, Institutional Contact:	
(Date): _____		(Date): _____	

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code): _____	
If not the same as recommended by institution, please explain: _____	
SCNS Course Title (if new): _____	
Decade Title (if new): _____	
Century Title (if new): _____	
Signature, Faculty Discipline Committee Representative	Date

Part III: SCNS Staff Use Only

Signature	Date Entered	Correspondence Number
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Debt and Money Markets

FIN 5244

Professor: Andy Naranjo

Office: BUS 309E (in suite 309) - 392-3781; Secretary - 392-0153

Office Hours: After class & by appointment; Extended hours for exams and homework

Required Texts:

1. Miles Livingston, Money and Capital Markets, 1993
2. Instruments of the Money Market (handed out in class)
3. A packet of handouts and old exams
4. Class handouts will also occasionally be given throughout the semester

Course Description:

Financial Markets; institutions and instruments associated with debt funds; the determinants of the general level and structure of interest rates.

Course Requirements and Evaluation:

All assigned readings in the attached course outline are required. These reading assignments will serve as background material for the lectures and should be read *prior* to the lectures.

There will be two midterm examinations and a final examination during the semester. Each midterm exam is worth 20% of your course grade. The final exam is worth 40% of your course grade. The remaining 20% of your course grade is determined by your score on homework assignments that will be given throughout the semester. Substantive classroom participation is strongly encouraged; it will help in those cases where your grade borders between two grades.

You are allowed to bring in one 8 1/2 X 11 note sheet into each exam. You may not attach anything else to this page. The purpose of this sheet is to have access to the many formulas that we will encounter without having to memorize all of them. This note sheet will be turned in with each of your exams. If you violate any of these rules, you will receive a zero for that exam.

Brief Course Outline

- Part 1: Introduction to Debt and Money Markets
- Part 2: Interest Rates
- Part 3: Bond Valuation
- Part 4: Managing Bond Risk
- Part 5: Bonds with Embedded Options
- Part 6: International Bond Markets
- Part 7: Stockholder versus Bondholder Conflicts

Detailed Course Outline

Part 1: Introduction to Debt and Money Markets

Lecture 1

Overview of Financial Assets and Capital Markets

- Financial Assets
- Capital Markets
 - ◆ Debt versus Equity Markets
 - ◆ Debt versus Money Markets
 - ◆ Purpose of Capital Markets

Livingston: Chapter 1

Instruments of the Money Markets: Chapter 1

Lecture 2

Taxonomy of Debt and Money Market Instruments (overview of security types)

- Some Distinguishable Features
 - ◆ Issuer
 - ◆ Maturity
 - ◆ Riskiness
 - ◆ Marketability
 - ◆ Taxation
 - ◆ Options

Livingston: Chapter 5 (skip pg. 98), Chapter 11 (pgs. 253-264)

Instruments of the Money Markets: Chapters 2, 4, 5, 6, 7, 8, 9, 10, 11 (these readings are optional)

Security Market Microstructure

- Primary Market versus Secondary Market
 - ◆ Primary Market Debt Issuing Procedures
 - ◆ Secondary Market Structure

Livingston: Chapter 6 (particular emphasis on pgs. 119-131), Chapter 5 (pgs. 99-101)

Instruments of the Money Markets: Chapter 7

Part 2: Interest Rates

Lectures 3-4

Interest Rate Concepts

- Time Value
 - ◆ Future Value
 - ◆ Present Value
- Yields
- Interest Rates versus Returns

Livingston: Chapter 10, 11 (pgs. 264-273)

Real versus Nominal Interest Rates

- Inflation
- The Fisher Equation

Livingston: Chapter 2 (pgs. 27-32)

Lecture 5

Interest Rate Determination

- Intertemporal Consumption/Savings and Investment Decisions
- Loanable Funds Model
- Other Models

Livingston: Chapters 2, 3, 4

Lectures 6-7

Term Structure of Interest Rates

- Some Background
- Deriving the Term Structure of Interest Rates
- Theories and Empirical Evidence
 - ♦ Pure Expectations Theory
 - ♦ Liquidity Theory
 - ♦ Preferred Habitat Theory
 - ♦ Market Segmentation Theory
- Interpreting Yield Curves

Livingston: Chapters 9, 14

Risk Structure of Interest Rates

- Some Background
 - ♦ Default Risk
 - ♦ Bond Ratings
- Deriving the Risk Structure of Interest Rates

Livingston: Chapter 21

Part 3: Bond Valuation

Lecture 8

Review

- Bond Prices
- Yields

Bond Price Theorems

Factors Influencing Bond Prices

Livingston: Review Chapters 9, 10, 11 (pgs. 264-272)

1st Midterm: Parts 1-3

Part 4: Managing Bond Risk**Lectures 9-13**

Determinants of Bond Risk

- Reinvestment Rate Risk
- Price Risk
- Default Risk
- Call Risk
- Inflation and Yields
- Taxes and Yields

Reinvestment Rate Risk and Price Risk

- Interest Rate Risk
- Duration
- Convexity
- Immunization
- Interest Rate Futures, Options and Swaps
- Other Specialized Financial Instruments (financial engineering)

Livingston: Chapters 13, 17, 18, 23 (pgs. 602-606), 19 (options will be covered thoroughly in Part 5)
Instruments of the Money Markets: Chapters 13, 14 (options will be covered thoroughly in Part 5)

Lecture 14

Default Risk

- Financial Distress
- Ratings
- Risk Structure of Interest Rates
 - ◆ Yield Spreads and Default Premia
 - ◆ Junk Bonds

Livingston: Review Chapter 21

Lecture 15

Call Risk

- Introduction to Bonds with Embedded Options (covered in Part 5)
 - ◆ Characteristics and Purpose of Callable Bonds

Livingston: Chapter 20 (Callable Bonds will be covered thoroughly in Part 5)

Inflation

- Inflation and Yields

Livingston: Review Chapter 2 (pgs. 27-32)

Taxes

- Tax Treatment of Bonds
- Taxes and Yields

Livingston: Chapter 22

Part 5: Bonds with Embedded Options

Lecture 16

Options

- Introduction and Definitions
- Valuation
- Factors
- Put-call Parity

Livingston: Chapter 19

Instruments of the Money Markets: Chapter 14

Lecture 17

Callable Bonds and Sinking Funds

Livingston: Chapter 20

Lectures 18-19

Mortgage Backed Securities

Livingston: Chapter 12

Lecture 20

Convertible Bonds

Livingston: Chapter 23 (pgs. 607-610)

2nd Midterm: Parts 4-5

Part 6: International Bond Markets

Lecture 21

Structure

- Globalization
 - ◆ Deregulation, Technological Advances and Institutionalization
- Eurobond Markets
- Major Non-U.S. Bond Markets
- Clearing Systems
- Why Hold Foreign Bonds?
 - ◆ Portfolio Diversification
- Risk Exposure
 - ◆ Foreign Exchange Risk
 - ◆ Political Risk

Livingston: Chapter 15

Lectures 22-23

Foreign Exchange Rates

- Spot Rates

- Arbitrage Conditions
 - ♦ Covered Interest Parity
 - ♦ Purchasing Power Parity
- Other Models of Exchange Rate Determination

Livingston: Chapter 15

Lectures 24-25

Hedging Exchange Rate Risk

- Currency Forward Contracts
- Currency Futures Contracts
- Currency Option Contracts
- Currency Swaps

Livingston: Review Chapters on Futures (17, 18 pg. 468), Options (19), Swaps (23 pgs. 602-606)

Political Risk

- Expropriation

Part 7: Stockholder versus Bondholder Conflicts

Lectures 26-28

Agency Theory
Default Risk
Information Asymmetries
Post-Contractual Opportunism and Bond Covenants

Livingston: Review Chapter 21

Final Exam

Florida Department of Education
 Statewide Course Numbering System
New Course Transmittal Form
 (see instructions on reverse side)

Form UCC1
 Attachment #4
 OAA # _____

Part I: To Be Completed By the Institution or School District

Institution/District University of Florida		District Code: 00	Institutional Code: 001535	Instructional Unit or Department: Finance, Insurance & Real Estate
Add Course As Indicated Below:				
Recommended SCNS Course Identification: Discipline (SMA) _____ Prefix FIN Level 5 Course Number 504 Lab Code _____ Contact Hour Base 04 or Head Count _____				
Institution's Course Title: Equity and Capital Markets				
Amount of Credit: 04		If Repeatable Credit or Variable Credit: _____ total repeatable credit allowed		
Instructor:		_____ minimum / _____ maximum credit within a semester		
Course Description (Course syllabus, grading criteria, and reading list must be attached.): Financial markets; institutions and instruments associated with equity funds; the mechanics and mathematics of stock prices; security analysis and factors influencing stock values..				
Prerequisites:				
Corequisites:				
Intended Students (Mark all that apply.):				
<input type="checkbox"/> Undergraduate Nonmajors		<input checked="" type="checkbox"/> Graduate Students		<input type="checkbox"/> Other (specify):
<input type="checkbox"/> Undergraduate Majors		<input type="checkbox"/> Honors Students		
<input type="checkbox"/> Advanced Undergraduates				
Category of Instruction: <input type="checkbox"/> Introductory <input checked="" type="checkbox"/> Intermediate <input type="checkbox"/> Advanced				
List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.				
Effective Term (first term/year course will be offered): Spring 1999		Department Contact and Telephone Number: Priscilla Kenney 2-0153		
Signature, Department Chair: <i>Michael D. R...</i>		(Date): 8-13-98	Signature, College Dean: _____ (Date): _____	
Signature, Graduate Dean (if applicable): _____ (Date): _____		Signature, Institutional Contact: _____ (Date): _____		

Part II: Faculty Discipline Committee Representative Use Only

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SCNS Course Title (if new): _____	
Decade Title (if new): _____	
Century Title (if new): _____	
Signature, Faculty Discipline Committee Representative	Date

Part III: SCNS Staff Use Only

Signature	Date Entered	Correspondence Number
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University of Florida
Warrington College of Business Administration

FIN 5504
Equity and Capital Markets

Instructor: Jason Karceski
Office: 308 Business Admin.
Office hours: 4 - 5:30 on T, R
Final exam time: See last syllabus page
Home page: <http://bear.cba.ufl.edu/karceski/fin5504k>
Email: karcesji@dale.cba.ufl.edu

Office telephone: 846-1059
Fax: 392-0301
Secretary: 392-0153 (321 BUS)

Course Overview and Objectives

FIN 5504 provides an in-depth discussion of fundamental principles related to equity securities and options for both institutional and individual investors. Objectives of this class include understanding

- (a) how security markets function,
- (b) what influences a stock's rate of return, and
- (c) how to develop investment strategies.

Though we consider the viewpoint of corporate investment professionals and institutional equity money managers at times, the primary focus in this course centers on *personal* financial decisions related to picking stocks and/or equity mutual funds. With the general trend towards defined contribution pension plans in the U.S., most of us will be forced to choose from an array of investments including stocks, bonds, money market funds, and mutual funds. One ancillary goal of this course is that you be able to understand and critically evaluate investment advice from brokers and the financial press.

Course Prerequisites

Prior to taking this course, you must be familiar with (a) the structure of basic financial statements, (b) basic statistics such as mean, variance, standard deviation, correlation, and covariance, (c) MS Excel (or equivalent) since there will be some spreadsheet work, and (d) how to access web pages.

Required Textbooks and Materials

The required text for this class is:

Bodie, Kane, and Marcus, *Essentials of Investments*, Third Edition, Irwin, 1998.

You are also required to purchase a FIN 5504 course packet from Target Copy. The packet includes the following items:

- (a) Class notes
- (b) Solutions to old homeworks, quizzes, projects and exams
- (c) Articles from the financial press

Press Clippings

During most classes, I will ask you to read an article during the break. We will usually discuss these right after the break, and I encourage you to pay attention to these digressions. When you read these articles, try to apply some of the concepts that we cover in class to these real-world situations.

Financial Calculator

You need a calculator of some sort, preferably a financial one.

The Wall Street Journal

I strongly urge you to read *The Wall Street Journal* (at least the articles on the front page of Section C-Money and Investing, and the "Fund Track" column which is usually on the second to last page in section C). There are usually only 4 or 5 articles per day, and you should focus on those relating to stocks and investment advice in general. There will be at least one question on each exam relating to a recent WSJ article.

Grading

The grading components will be as follows:

Regular homework (3 of them)	9%
Quizzes (3 of them)	10%
Computer project 1	5%
Computer project 2	5%
Midterm #1	20%
Midterm #2	20%
Final Exam	30%
Investment Game	1%

Regular Homework: The purpose of homework is to prepare you for quizzes and exams. Homework grades usually end up on a straight scale (90%-100% A, 80%-90% B, etc.). We will have three homework assignments. All three homeworks will be equally-weighted to give an overall homework score. For each of the homeworks, I will officially grade only a subset (perhaps 20%) of the problems. However, I will check to see that you've made an honest attempt to answer all of the questions.

Homework sets and projects are due by 9:30 AM on the respective due dates either in my office (308 Business Administration) or in my mailbox (321 Business Administration). Solutions to the graded homework problems will be posted to the FIN 5504 home page very shortly after they're due. *Late homework will not be accepted.*

Quizzes: We will have three quizzes during the semester, and only the highest two quiz scores will count towards the overall quiz grade. Quizzes will be given at the beginning of class and will generally last about 10 to 15 minutes. There won't be any make-up quizzes. Each quiz will consist of only one or two questions, usually from the homework and/or core concepts. We'll talk about the specific material covered by each quiz as we get closer to their respective dates.

Computer project 1: I will give you some historical data on individual stocks via the FIN 5504 home page. You will need to do some basic analysis, such as computing betas, average returns, standard deviations, and tracing out an efficient frontier. You will also need to answer some questions related to your results. You must turn in a hardcopy of all your calculations and graphs. Each person must turn in a separate project, but you can work in groups of two. If you choose to work with a partner, you must indicate who your partner is on your project.

Computer project 2: I will give you historical data on a large number of mutual funds. You will be asked to form a portfolio of mutual funds and give a clear line of reasoning as to why you selected your particular portfolio. You will need to cut out three articles from different newspapers or magazines that support your investment strategy. Based on the performance of your portfolio relative to your peers, you will have the opportunity to add up to 15 points to your final exam score. Students will be permitted to work in teams of three and submit a single project between them. There will be a five-page limit, and grammar, spelling, and presentation will be important.

Exams: We will have two midterms and a final. The midterms will not be cumulative (except for core concepts), but the final will be comprehensive (though weighted towards the final four chapters). Midterms will be given during regularly scheduled class times and will be in Matherly 107. There won't be any make-up midterms, and the grading component for the missed midterm will accrue to the final. If you plan to be out of town on any of the exam dates, please let me know as soon as possible.

You can request a regrade of your exam during the one-week period after the respective exam date (after that week, no regrades will be considered). Please note that I will regrade the entire exam, and your score may increase OR decrease as a result of the regrade.

Investment Game

We are going to play a stock investment game during the semester. Each student will invest \$100,000 of "play" money as of market close on Sept. 4, 1998. Each student can purchase or sell short only NYSE, Amex, and NASDAQ stocks (no options or futures allowed) and can put at most \$50,000 in any single stock at the beginning of the game. Students will be permitted to change portfolio holdings one time during the semester with a transaction cost of 0.5% on transferred wealth. Any wealth left in cash (or

borrowed) will not earn (or be charged) any interest. All cash dividends should be automatically added to your cash account, not reinvested in stocks. You are permitted to purchase stocks on margin. The initial margin is 0.90 (this means that the maximum initial value of the stocks in your portfolio is \$111,111.11), and the maintenance margin is 0.70 (only checked on the rebalance date--Oct. 30).

Each student is responsible for maintaining the current value of his or her portfolio (no teams are allowed). You may find the 'portfolio manager' function at investor.msn.com helpful in keeping track of your holdings. The prices at which stocks can be initially bought or sold are the closing prices on Sept. 4 as reported in *The Wall Street Journal* on the next business day.

How will this project be graded? You will get an A for the investment game (the 1% listed under **Grading**) if you correctly compute and turn in your initial investment selection, portfolio updates, and portfolio rebalance forms by their respective due dates, shown below.

1. Initial portfolio holdings (using closing prices on 9/4) due by beginning of class on 9/8
2. Updated portfolio value (using closing prices on 9/17) due by 9:30 AM on 9/21
3. Updated portfolio value (using closing prices on 10/29) due by 9:30 AM on 11/2
4. Portfolio purchases and sales with accompanying updated portfolio holdings (using closing prices on 10/30) due by 9:30 AM on 11/2
5. Updated portfolio value (using closing prices on 12/3) due by 9:30 AM on 12/7

I don't think this bookkeeping will take much effort. Students who don't turn in all updates will get a zero for this grade component and forfeit their chance to earn bonus points on all exams. The penalty for making a significant error in these updates will be a \$15,000 fine of "play" money.

Speaking of which, students can earn bonus points towards both midterms and the final by posting superior portfolio performance. Total returns will be computed over three overlapping periods: (1) from the close on 9/4 to the close on 9/17, (2) from the close on 9/4 to the close on 10/29, (3) and from the close on 9/4 to the close on 12/3. The top nine students with the highest portfolio returns over each period will receive 2 points added to their score on Midterm #1, Midterm #2, and the Final Exam, respectively. In addition, I will be playing the game, and all students with higher portfolio values than mine at the end of each period will receive 2 points added to their exam scores.

Since this is the first year I've done this, I reserve the right to change the rules if the need arises, but I will give everybody equal notification of any rule changes. Feel free to suggest any rule changes you think are appropriate.

Core Concepts

As we move through the material in class, I will point out what I consider to be the core concepts of FIN 5504. We will keep a running list of these on the FIN 5504 home page. These are some of the essential (but not the only) things you should know after taking this class. After we cover any given core concept in class, you will be responsible for it from that point forward (on any exams, quizzes, etc.). Please pay close attention to the core concepts and review them periodically—I'll be hitting them hard throughout class discussions and exams.

FIN 5504 WWW Home Page

Please make sure that you can access the class home page on a regular basis (if you can't, please see me). The home page will include the following features at appropriate times:

- (a) class announcements
- (b) syllabus and schedule (updated/changed as required),
- (c) students' current grade look-up,
- (d) homework assignments,
- (e) solutions to graded homework problems,
- (f) material that will be covered on quizzes,
- (g) core concepts; and
- (h) useful finance links.

Contacting the Professor

Please feel free to come by during my office hours. Outside of office hours, you must call or send an e-mail to me a few days beforehand to set up an appointment to see me. You can also call me at home for emergencies (real emergencies, folks) or very quick questions (less than two or three minutes).

Schedule

The schedule below should give you some idea of the expected pace of the course. If you have any critically important prior engagements on the dates shown below, please see me ASAP. Any changes to these dates will be announced in class and reflected in the FIN 5504 home page schedule.

Activity	Topic	Text Chapter	Estimated Date(s)
Lecture 1	Course Intro and the Investment Environment	1	Aug. 25, 27
Lecture 2	Financial Markets and Instruments	2	Sept. 1, 3
Lecture 3	How Securities are Traded	3	Sept. 8, 10
Lecture 4	Mutual Funds	4	Sept. 15
Lecture 5	The Investment Process	5	Sept. 17
Homework #1 due	Covers Chapters 1-5	1-5	Mon., Sept. 21
Lecture 6	Risk and Return	6	Sept. 22, 24
Quiz #1	Covers Chapters 1-6	1-6	Thur., Sept. 24
Review Session #1	For Midterm #1	1-6	Fri., Sept. 25, 5-7 PM
Midterm #1	Covers Chapters 1-6	1-6	Tue., Sept. 29
Lecture 7	Efficient Diversification	7	Oct. 1, 6, 8
Lecture 8	CAPM and APT	8	Oct. 13, 15, 20
Lecture 9	Efficient Market Hypothesis	9	Oct. 22, 27
Project #1 due	Stock Data Project	6-8	Mon., Oct. 19
Homework #2 due	Covers Chapters 7-9	7-9	Mon., Nov. 2
Lecture 10	Stock Valuation	13	Oct. 29, Nov. 3
Quiz #2	Covers Chapters 7-9	7-9	Tue., Nov. 3
Review Session #2	For Midterm #2	7-9, 13	Mon., Nov. 2, 5-7 PM
Midterm #2	Covers Chapters 7-9, 13	7-9, 13	Thur., Nov. 5
Lecture 11	Macro and Industry Analysis	12	Nov. 10
Lecture 12	Fundamental and Technical Analysis	14, 15	Nov. 12
Lecture 13	Active Investment Management	19, 21	Nov. 17, 19
Lecture 14	Options and Options Strategies	16	Nov. 24, Dec. 1
Project #2 due	Mutual Fund Project	all	Mon., Nov. 23
Lecture 15	Options Valuation	17	Dec. 3, 8
Homework #3 due	Covers Chapters 12, 14, 15, 16, 19, 21	---	Mon., Dec. 7
Quiz #3	Covers Chapters 12, 14, 15, 16, 19, 21	---	Tue., Dec. 8
Review Session #3	For Final Exam	all	Fri., Dec. 11, 5-7 PM
Final Exam	Covers All Chapters	all	
	Section 2175 – 11:45 AM - 1:40 PM class		Thur., Dec. 17, 3-5 PM
	Section 2760 – 1:55 - 3:50 PM class		Wed., Dec. 16, 10-12 noon

Florida Department of Education
 Statewide Course Numbering System
New Course Transmittal Form
 (see instructions on reverse side)

Form UCC1
 Attachment #5

Part I: To Be Completed By the Institution or School District

Institution/District: University of Florida		District Code: 00	Institutional Code: 001535	Instructional Unit/Department: Finance, Insurance & Real Estate
Add Course As Indicated Below:				<i>(CONTACT - SHARON HAUGHTON)</i>
Recommended SCNS Course Identification:				
Discipline (SMA) _____ Prefix <u>FIN</u> Level <u>5</u> Course Number <u>108</u> Lab Code _____ Contact Hour Base <u>02</u> or Head Count _____				
Institution's Course Title: Personal Financial Management				
Amount of Credit: 02		If Repeatable Credit or Variable Credit: _____ total repeatable credit allowed		
Instructor:		_____ minimum / _____ maximum credit within a semester		
Course Description (Course syllabus, grading criteria, and reading list must be attached.): Development of personal financial strategies needed to accumulate and retain wealth. Life style investing. Study of financial products, markets and institutions used for retirement planning.				
Prerequisites:				
Corequisites:				
Intended Students (Mark all that apply.):				
<input type="checkbox"/> Undergraduate Nonmajors		<input checked="" type="checkbox"/> Graduate Students		<input type="checkbox"/> Other (specify):
<input type="checkbox"/> Undergraduate Majors		<input type="checkbox"/> Honors Students		
<input type="checkbox"/> Advanced Undergraduates				
Category of Instruction: <input type="checkbox"/> Introductory <input checked="" type="checkbox"/> Intermediate <input type="checkbox"/> Advanced _____				
List the department chair (by name & department) with whom you have cleared any question of possible duplication or infringement by this course. Each such chair must either sign the syllabus requested, indicate no concern over possible infringement, or make comments. Any lack of comments or signatures must be indicated.				
Effective Term (first term/year course will be offered): Fall 1999		Department Contact and Telephone Number: Priscilla Kenney 2-0153		
Signature, Department Chair: <i>Michael D. R...</i>		Signature, College Dean:		(Date)
(Date) 8-13-98				
Signature, Graduate Dean (if applicable):		Signature, Institutional Contact:		(Date)
(Date)				

Part II: Faculty Discipline Committee Representative Use Only

Approved Course Classification (Prefix, Number, Lab Code):	
If not the same as recommended by institution, please explain:	
SCNS Course Title (if new):	
Decade Title (if new):	
Century Title (if new):	
Signature, Faculty Discipline Committee Representative	Date

Part III: SCNS Staff Use Only

Signature	Date Entered	Correspondence Number
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UNIVERSITY OF FLORIDA
COLLEGE OF BUSINESS ADMINISTRATION

FIN 5XXX
PERSONAL FINANCIAL MANAGEMENT

INSTRUCTOR: David Nye

OFFICE: 329 Business Building

COMMUNICATION: EMAIL: djnye@yahoo.com
VOICE: 392-6649 (Office); 375-4166 (Home)
FAX: 392-0301 (Office); 375-3179 (Home)

CLASS MEETING TIMES:

OFFICE HOURS:

PREREQUISITES: Students should have completed their required Finance class prior to registering for this class. Preparation of the required case will require the student to apply material learned in his/her MBA courses as well as material discussed in this class. It is expected that knowledge acquired in previous MBA classes will be the foundation upon which current information from the financial trade press articles is added to prepare a plan that reflects our current economic, political and tax environment.

PERSPECTIVE: Personal financial management is growing in complexity, as is its importance to one's long term financial success. The scope and size of benefits under government programs is constrained for the foreseeable future. Benefit programs at corporations are carefully scrutinized for cost control purposes in order to preserve or enhance the entities competitive situation. For example, employees more frequently have a fixed benefit budget to "spend" on a menu of financial services products so informed decision making is important. Also, the shift from defined benefit pension plans to defined contribution plans represents one of the largest transfers of risk from the organization to the individual. Many individuals are unprepared to develop and implement long-term investment plans required to properly manage defined contribution pension plans.

Simultaneously, the variety and sophistication of insurance and financial products has increased dramatically. These developments have taken place against the backdrop of a tax code that, despite politician's promises to simplify it, has grown increasingly arcane. Thus, it seems clear that effective personal financial planning is both timely and necessary.

COURSE DESCRIPTION: Personal financial strategies needed to accumulate and retain wealth are developed. Wealth accumulation involves goal setting from which strategic and tactical investment decisions involving securities and insurance products can be made. Wealth retention involves an introduction to income, gift and estate tax rules as well as tax reduction strategies. Life cycle investing will be an integral part of the course whereby students will study how financial products, markets and institutions can be used to carry out effective retirement planning.

GOAL: The goal of Personal Financial Management is to provide instruction in how to accumulate and preserve personal wealth. Students will learn how to apply this material by completing a self-study personal financial management project.¹

FORMAT: A lecture and discussion format is followed.

REQUIRED READINGS: A number of articles from the Wall Street Journal and other financial trade press are assigned for each course section. In addition, students will complete Personal Financial Fact Finding, The American College, 1992

OTHER READINGS: Students who wish to do some background reading should look at both an investment text and a risk management and insurance text. For starters, I suggest: Bodie, Kane and Marcus, Essentials of Investments, 3rd Edition and Rejda, Principles of Risk Management and Insurance, 6th edition

GRADING: The course grade will depend upon completion of the Personal Financial Fact Finding book and the preparation of a comprehensive personal financial plan based upon the responses contained in the Fact Finding book.

¹ Individual privacy concerns will be addressed by permitting students to transform sensitive personal data if they so desire. The transformation will alter the absolute value of the data but preserve the mathematical relationships.

DISCUSSION OUTLINE

- A. A snapshot of the "Sandwich Generation"**
 - 1. Demographics of the Sample
 - 2. Survey Results
 - 3. Conclusions

- B. Wealth Accumulation**
 - 1. Development of Financial Goals
 - 2. Concepts in Risk and Return
 - 3. Sources of Investment Information
 - 4. Drags on Wealth Accumulation
 - 5. Portfolio Construction Approaches
 - 6. Performance Measurement

- C. Wealth Preservation**
 - 1. Property Exposures
 - 2. Personal Exposures
 - 3. Techniques for Managing Exposures
 - 4. Asset Protection Techniques/Products
 - 5. Risk Management Rules
 - 6. Insurance Suppliers
 - 7. Estate Planning

- D. Capstone Summary - General Life Cycle Strategies**

NOTE: Course materials are retained for one week after the end of the semester. If you wish to extend this retention period, you must inform me in writing by the last day of class.

CHAIRMAN: The F.I.R.E. Department Chairman is Dr. Michael Ryngaert, 321 Business Building, 392-0153

Attachment A

Evaluation of the Comprehensive Personal Financial Plan

Students will submit two documents for grading. First, the Fact Finding book will be submitted and it will be evaluated on the basis of completeness and reasonableness of responses. Second, each student will prepare a comprehensive personal financial plan based upon the information contained in the Fact Finding book. The format of the Plan will be as follows:

- A. **Executive Summary (one page limit)** Summary of the individual's current financial situation and a projected outcome if no change is made. The outcome will be expressed in terms of the probability the individual's goals can be realized. This will be followed by recommended changes in the plan in the areas of savings rates, asset allocation, insurance portfolio, estate plans and tax status.
- B. **Statement of Goals and Assumptions** Include a statement of each goal arranged in order of priority - be specific in the goal statement. Economic assumptions should be explicit (e.g. long run inflation will be x%, long run return on the recommended portfolio will be y%).
- C. **Cash Flow Analysis (pro forma)**
- D. **Income Tax Analysis (2 or 3 most recent years)** Examine earned and unearned income including the breakdown between interest, dividends, capital gains (short and long)
- E. **Balance Sheet Analysis** Apply usual techniques such as the breakdown between real or financial assets and liquidity. Classify liabilities as long or short term and their APR.
- F. **Investment Portfolio Allocation** Breakdown the portfolio according to real or financial assets. The latter should be further broken down by cash or c.e.'s, bonds, equities, etc. Be sure to include both after-tax accounts as well as all retirement accounts.
- G. **Risk Management** Evaluate asset and insurance adequacy in the event of premature death, disability and sickness. Look at property-liability coverage for catastrophic occurrences such as hurricane, flood, liability (personal and business).
- H. **Retirement Planning**
Examine wealth levels at projected ages. Integrate the effects of social security, pensions, and retirement accounts.
- I. **Estate Planning**
This should deal with asset ownership, estate taxes, asset distribution (e.g. beneficiary selection) as well as the order in which assets are liquidated.

Note. It is recommended that financial planning software be used to complete this analysis. Many financial institutions provide this software over the Internet at no cost. Output from these programs can be attached as an Appendix to elaborate on and support the narrative in the above sections.

08/21/99

COLLEGE OF BUSINESS ADMINISTRATION
FINANCIAL INFORMATION
FY 1990/1991- 1998-1999

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 (estimated)
STATE FUNDING									
CBA faculty salaries	6,777,942	7,163,915	6,742,159	7,181,554	7,353,092	7,135,831	7,094,582	8,396,159	8,969,948
Summer Rsh/Miscel	257,447	253,838	658,547	623,274	568,187	592,893	628,428	558,905	54,000
Budget Recall/Reductions	265,445 *	260,773 *							
FSOA faculty salaries	1,478,936	1,237,289	1,428,914	1,345,237	1,466,194	1,704,898	1,655,986	1,564,078	1,750,964
USPS/A&P Salaries	1,012,847	1,078,026	1,199,375	1,320,513	1,322,714	1,331,618	1,384,418	1,442,710	1,774,117
Summer Teaching Budget	270,025	190,083	475,195	458,103	400,092	445,596	484,636	498,111	511,958
Fringes on Salary (26%)	2,546,080	2,598,399	2,607,539	2,722,350	2,784,649	2,914,817	2,924,493	3,239,590	3,395,867
Total Salaries	12,343,277	12,521,550	13,111,729	13,651,031	13,894,928	14,125,653	14,172,543	15,699,553	16,456,845
CBA operating expenses	1,491,441	1,299,113	1,517,966	1,350,700	1,332,296	1,488,668	1,831,564	1,873,307	1,818,299
FSOA operating expenses	208,568	201,228	338,076	290,528	288,652	254,339	306,967	300,028	264,046
Tuition Waivers									
Total	14,043,286	14,021,891	14,967,771	15,292,259	15,515,876	15,868,660	16,691,786	18,307,510	19,120,502
Ranked Faculty	108	109	105	99	101	93	84	85	87
Lecturers	2	2	3	4	7	6	4	4	4
*Reductions not in total									
CONTRACTS & GRANTS									
CBA Salaries	437,848	512,628	481,918	477,816	628,781	640,000	731,064	628,743	700,000
FSOA Salaries	41,227	0	0	0	64,403	0	0	0	0
CBA other expenses	383,736	373,585	387,465	440,248	622,171	625,000	1,087,337	1,507,058	1,600,000
FSOA other expenses	8,235	0	0	0	0	0	9,235	0	0
Total	871,046	886,213	869,383	918,064	1,315,355	1,265,000	1,827,636	2,135,801	2,300,000
DOCE									
Salaries & Overloads			77,199	196,223	248,376	345,468	454,567	600,557	808,662
Summer Research Grants									630,000
Other expenses		8,489	22,001	190,834	222,957	329,267	577,608	990,690	1,348,843
Total		8,489	99,200	387,057	471,333	674,735	1,032,175	1,591,247	2,787,505
PRIVATE FUNDING									
CBA Salaries	330,125	656,272	734,510	687,721	1,040,519	900,741	1,023,830	1,099,662	1,300,000
FSOA Salaries	376,655	333,310	336,986	269,763	164,327	81,723	165,580	151,515	300,000
CBA other expenses	1,140,252	1,403,682	2,036,186	1,633,317	1,070,253	1,121,349	761,393	1,100,300	1,200,000
FSOA other expenses	320,976	203,997	175,265	208,510	320,679	399,177	331,018	211,330	300,000
Total	2,168,008	2,597,261	3,282,947	2,799,311	2,595,778	2,502,990	2,281,821	2,562,807	3,100,000
GRAND TOTAL	17,082,340	17,513,854	19,219,301	19,396,691	19,898,341	20,311,385	21,833,418	24,597,365	27,308,007
FDN END MARKET VALUES	14,374,218	16,890,674	20,689,099	21,476,221	25,171,011	29,079,654	46,205,098	55,000,000	60,000,000

McCullough



UNIVERSITY OF FLORIDA

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Warrington College of Business Administration
Fisher School of Accounting
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GENERAL FACULTY MEETING
APRIL 28, 1998
BUS 102 ** 1:00 P.M.
AGENDA

1. Minutes of February 24, 1998 (attachment 1)
2. Proposed Curriculum Changes (*support materials available for review in Dean's office*)

Undergraduate Committee:

The Undergraduate Committee has asked that the following curriculum changes be presented at the next Faculty Meeting for approval.

Change to Major Requirements

Change requirements for an undergraduate major in marketing from four courses to three courses, dropping the requirement for students to take an elective in addition to Consumer Behavior (MAR 3503), Marketing Research (MAR 4613) and Marketing Management (MAR 4806).

Change Preprofessional

Change Preprofessional GPA requirement for DIS Majors from 2.5 to 3.0

Change Credit

ECO 4970 Title: Honors Thesis Credits: Currently – 1-3 Change to – 1-4

Change Prerequisite

ISM 4421 Title: Knowledge-Based Systems in Business Prerequisites: Currently – ISM 3011 Change to – NONE

ISM 4220 Title: Introduction to Business Data Communications
Prerequisites: Currently – ISM 3011 and one of the following courses on procedural languages; CIS 3020, CGS 3403, CGS 2420, CGS 3460, or CGS 3462 Change to – One of the following courses on procedural CIS 3020, CGS 3403, CGS 2420, CGS 3460, or CGS 3462

REE 4103 Title: Real Estate Valuation
Pre/Corequisites: Currently–Prereq: FIN 3408 with a grade of C or higher — Change to – Corequisite: REE3043

Change Description

ECO 4905 Title: Individual Work
Description: For advanced students who need to supplement regular course work by individual studies under guidance. Economic majors may not use this course to fulfill requirements for the major.

New Course

ECO 4730 Title: The Firm in the Global Economy
Credits: 4
Description: Integrated approach to the international operations and environment of the firm. The richness and diversity of the global business environment affect virtually all functional operations of firms. An overview of the patterns of international corporate strategies; international taxation and government policies affecting the firm in the global economy; exchange risk; working capital management; and foreign investment analysis.
Prereqs: ECO 3703, ECO 3704, and FIN 3408

3. Dean's Report
4. Other Business