This syllabus covers the following topics:

- Objectives of Class, Required Materials, Prerequisites: p. 2
- Grades, Homework, Tests: pp. 3 – 4
- Attendance and Late Policies: pp. 5 – 7
- Class Schedule: pp. 8 – 9
- Key Dates for the Semester: p. 10
- Leeds Bio: p. 11
- Academic Dishonesty and Other Notices: p. 12
What are the objectives of this course?
• To improve your understanding of the economy, stock market, bond market, monetary policy, and fiscal policy.
• To help you become more conversant about the markets and the economy.
• To help you become a more informed person, better equipped to process financial news.

What materials are required?
• We will use a packet that I have written. The packet contains an outline and slides that accompany the outline.
  o You can either print the packet yourself (it’s on Canvas) or you can buy it at the GSB Copy Center.
  o You need to bring a hard copy of the packet to class. We will not use technology in the classroom.
• You will need a business calculator for this class. The calculator should have the following keys: IRR, n, i, PV, PMT, FV, and CF. You should bring a financial calculator to every one of our class meetings.

What supplemental materials are available?
• On Canvas, there will be additional notes, papers, articles and speeches posted. You are NOT responsible for any of this supplemental material. Rather, it may help you if you want to gain a deeper understanding of a particular subject.

What if you need extra help?
• Later in the syllabus, you will find the relevant chapters to read (completely optional)

What should you read if you want to continue studying after the semester?
• Predicting the Markets, by Edward Yardeni (2018)

What sources will be used for the current events portion of the class?
• Our main sources will be Barron’s, The Wall Street Journal, and Project Syndicate. You do not need to purchase a subscription.
• Very soon, the school will announce a free subscription to Barron’s for students

What are the prerequisites for this class?
• Finance 371M is a Restricted Course for students who are currently enrolled in a major program in the College of Business Administration. Note that several prerequisites apply for this course and are published in the Course Catalog. Prior completion of Finance 357 or Finance 357 H and its prerequisites are among these requirements. I do NOT have any control over who is admitted to this class.
• While FIN 367 is not a prerequisite, you may be at a disadvantage if you have not studied bond pricing and yields, duration, the dividend discount model, and stock market indexes.
How are grades determined?

- According to the Undergraduate Dean’s Office, the average grade assigned in this class should be between 3.4 and 3.6. (Obviously, I will abide by this policy.)
- We will have three exams during the semester. In addition, you will have three homework assignments that will be due the week before each of the exams (in order to help you prepare). Your grade in the course will be determined as follows:
  - Exam 1: 25%
  - Exam 2: 30%
  - Exam 3: 30%
  - Homework: 15% (5% each assignment)

- Grades can be lowered by violating any of the policies described (later) in this syllabus.

Is homework done alone or with a partner?

- Homework can be done either alone or with one other person.
- Any communication about the assignment with anyone other than your partner is considered to be academic dishonesty and will result in a grade of zero on the assignment and an additional decrease of your final course grade by two letter grades.
- If you decide to do the homework alone (and only your name is on your submission), this means that you are not allowed to discuss it with anyone else.
- Your name must be written on the homework when it is submitted. I will not allow a second name to be added to an assignment after the homework was submitted.
- You will submit homework electronically (on Canvas).
- Late assignments will not be accepted.

What should you know about the three exams?

- All three exams will be held in class. We will not have a final exam during exam week.
- My exams tend to include most of the material that I have taught (rather than just a few big questions).
- The tests will include both qualitative and quantitative material. The qualitative questions are usually multiple-choice and true-false, but short-answer could also be included.
- The difficulty level of the multiple-choice questions is intended to parallel the level of question that you could face on the CFA® exam. I test on what I teach. This means that each test will cover what we discuss in class as well as any reading assignments (pre-reads) and taped lectures (on bonds, multiples, and issues with growth).
- On the tests, you will be responsible for all current events that we discuss in class. (In many classes, you are not tested on articles about current events. In this class, you will be tested on these articles. This is a significant part of what this class is designed to teach.)
Are old exams available?

- I do not release old exams.
- I have found that releasing old exams is problematic because
  - (1) it results in people studying “to the exam” rather than studying to learn; and
  - (2) students inevitably feel that old exams are easier than the current exam.
- In addition, I do not allow students to keep their exams. This maintains the fairness of exams, since you know that no one has seen old exams.
- I consider it to be an act of academic dishonesty if you have access to old exams or grant access to others. If you come across an old exam (which should not be possible), please disclose this to me immediately.
- You will have ample opportunity to review your exam.
- With all this said, I have posted some multiple-choice questions that are from the current event sections of prior semesters. This is done so that you can understand the level of questions you will face.

Can I find out from others what was on the test? NO!

- I consider it to be academic dishonesty to ask others what was on the exam.
  - This means that asking students from prior semesters (or from different sections of this class) what you should study is an act of academic dishonesty.
- I will be teaching two sections of this class. This means that one section will be taking the test earlier than the other section. Sharing (or receiving) any information with (from) someone in another section will result in a course grade of F for any and all people involved.
  - I am committed to fairness in grading and I will enforce this in the most aggressive way possible. I will do my best to ensure fairness – which is something that you all want.
What is the really big picture about the attendance policy?

- In short, this is a great class and a fun class. But, I need 75 minutes of your time, twice per week. I need you to be on time and engaged in the class (not engaged with your technology). This needs to be a professional environment.
- I need you to be on time so that you get the most of the class and that you don’t disrupt the class.
  - Please understand that some of your peers have a letter from the Dean of Students that requires me to provide a distraction-free environment for these students to learn. I enforce this by penalizing students who create distractions.
- You must be able to sit for 75 minutes without any technology. Your grade gets lowered drastically (see below) each time you use a cell phone in class.
- In sum, I need you to come to class, be on time, stay for the entire class, pay attention (don’t use technology), and enjoy our time together. Simply be professional and enjoy class. Now, here’s the long version of the rules...

What is the point system that is used to impact grades?

- **Accumulating more than 2.5 points will result in your course grade being lowered:**
  - 2.51 – 3 points: 1 letter grade (e.g., A- gets lowered to B+)
  - 3.01 – 4 points: 2 letter grades (e.g., A- gets lowered to B)
  - 4.01 – 4.5 points: 3 letter grades (e.g., A- gets lowered to B-)
  - 4.51 – 5 points: 4 letter grades (e.g., A- gets lowered to C+)
  - 5.01 points or more: receive an F in the course

How do you receive points?

- Missing class: 1 point
  - Missing class due to an off-campus interview (see instructions below): ½ point
- Arriving late  
  - Late (but you arrive in the first five minutes): ½ point
  - More than five minutes late: 1 point
  - Arrive late, but do not sit in front row or do not write “LATE” next to your name on the sign-in sheet: 1.5 points
- Leaving early
  - Leave early (within the last five minutes of class): ½ point
  - Leave more than five minutes early: 1 point
  - Leave early without noting this on the sign-in sheet: 1.5 points
- Use of cell-phone/tablet/technology in class: 2.5 points per occurrence

How do you ensure that you only lose ½ point for an off-campus interview absence?

- You must email my TA, Michael McCorry 48 hours in advance. (Do not email me or cc me for attendance issues.) Your email should include documentation, including the name of the employer and all details about the interview. Michael’s email address is Michael.McCorry@mba19.mccombs.utexas.edu
What if you are sick?
• This counts as an absence. This is why you are allowed to miss two classes. This is why you should not waste your absences.
• If you have a letter from the office of the Dean of Students concerning your sickness, I will take that into consideration.

Should you email me about absences or sickness?
• No, there is no need to email me about this type of issue. I trust that you are an adult and that you are making the best decisions for your situation.
• You should trust that I am trying to run the very best class for the most people.
• If you have a unique situation, we will consider this. But, normal illness is why you’re allowed two absences (one week).

How do religious holidays work?
• If you have a religious holiday, you should email my TA, Michael McCorry, one week ahead of time. This must be a recognized religious holiday, not a trip for religious purposes. Michael’s email address is Michael.McCorry@mba19.mccombs.utexas.edu.

What if you have a school-sponsored event?
• School-sponsored events will not count as absences. You must submit a letter from the University forty-eight hours ahead of time. This should be submitted electronically to my TA, Michael McCorry. Michael’s email address is Michael.McCorry@mba19.mccombs.utexas.edu.
• Case competitions, student group trips, etc. are not considered school-sponsored events. Plan ahead and use your point allowance wisely.

What should you do if you are late for class?
• You should walk in quietly and you MUST sit in the front row. If there are no seats available in the front row, you should sit in the second row.
• When you sign the attendance sheet, you must write LATE next to your name.

Does it matter why you were late for class?
• No, it doesn’t matter why you were late for class.
  o Please do not send me excuses or reasons for being late. I do not distinguish between an interview running late or a bus running late.
• I understand that things happen – your bus is late or you overslept. If you look at the point system, you’ll see that being late once won’t impact your grade. But, if you are frequently late, this class is going to be a problem for you.

What if you need to leave class early?
• Prior to class, you should tell me that you’re leaving early and you should sit close to the door.
• On the sign-in sheet, you should write “Left Early” next to your name.
What if something unexpected happens at the end of the semester and you have already used your absences?

- There’s nothing that can be done about this.
- **Do not waste these allowed absences. Assume that emergencies will arise.** You don’t know when you will get sick or when you will have a family emergency. You should be saving your absences for this type of event. **Please do not come to me and ask me to make exceptions for you.** It would be unfair for me to hold some members of the class to a particular standard and to relax that standard for others.
- It is crucial that you do not approach the attendance policy with an eye toward maximizing the number of times that you can miss class.

**Can you attend a different section of this class?**

- You can attend a different section of this class twice during the semester. You do not need to contact me about this ahead of time.
- When you attend the other class, simply print your name at the bottom of the sign-in sheet.
- On the three test days, you must attend the class in which you are enrolled unless you received permission from me to take the exam with the other class.
- During the last week of class, you need to attend the section of the class that you are enrolled in. If you need an exception to this, please see me.

**Can you leave during class and return?**

- It is my expectation that you should be able to sit through our 75-minute class without getting up. Please fill up your water bottle before you come to class. Do not leave because you are receiving a phone call (if you do this, it means that you have violated the cell phone policy). I understand that you may feel sick or need to use the restroom and that this happens once or twice during a semester. That’s absolutely fine. But, if this is something that you anticipate happening more than twice during the semester, you should discuss the issue with me. It may be that you need an accommodation letter from the Dean of Students.

The bottom line is that this is a bad course to take if you don’t plan on attending class, you can’t make it on time, or you can’t live without your cell phone. If you attend class and put in a good effort, I’m confident that you will learn a lot and you’ll enjoy the experience. **Rest assured...I will hold myself to a higher standard than I will hold you.**
How to Prepare for Class and the Exams

<table>
<thead>
<tr>
<th>Class #</th>
<th>Packet Unit</th>
<th>Topic</th>
<th>Packet Pages Prep for Each Unit</th>
<th>In Class -- Packet pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>The Current State of the Economy</td>
<td>Sent out the weekend before class</td>
<td>pp. 4 – 10 (handed out first day of class)</td>
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<tr>
<td>2</td>
<td>1</td>
<td>The Current State of the Economy</td>
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<tr>
<td>3</td>
<td>2</td>
<td>GDP</td>
<td>Unit 2: pp. 11 – 22</td>
<td>pp. 23 – 26</td>
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<td>4</td>
<td>2</td>
<td>GDP</td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>2</td>
<td>GDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>GDP / Problems with Growth**</td>
<td>Unit 3 Tape; Unit 3 pp. 27 – 38</td>
<td>p. 32, 39</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
<td>Equities</td>
<td>Multiples Tape</td>
<td>pp. 40 – 42</td>
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<tr>
<td>8</td>
<td>4</td>
<td>Equities</td>
<td></td>
<td></td>
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<tr>
<td>9</td>
<td>4</td>
<td>Equities</td>
<td></td>
<td></td>
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<tr>
<td>10</td>
<td>Exam 1</td>
<td>Feb. 21st (in class)</td>
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<tr>
<td>11</td>
<td>4</td>
<td>Equities</td>
<td></td>
<td></td>
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<tr>
<td>12</td>
<td>5</td>
<td>Bonds and Interest Rates</td>
<td>Taped lecture on “bonds”</td>
<td>pp. 43 – 45</td>
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<tr>
<td>13</td>
<td>5</td>
<td>Bonds and Interest Rates</td>
<td></td>
<td></td>
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<tr>
<td>14</td>
<td>6</td>
<td>Background to Monetary Policy</td>
<td></td>
<td>pp. 46 – 47</td>
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<tr>
<td>15</td>
<td>6</td>
<td>Background to Monetary Policy</td>
<td></td>
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<tr>
<td>16</td>
<td>6</td>
<td>Background to Monetary Policy</td>
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<tr>
<td>18</td>
<td>7</td>
<td>Fed and Monetary Policy</td>
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<td></td>
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<tr>
<td>19</td>
<td>7</td>
<td>Fed and Monetary Policy</td>
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<tr>
<td>20</td>
<td>8</td>
<td>Dual Mandate</td>
<td>pp. 68 - 79</td>
<td>pp. 79 – 82</td>
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<tr>
<td>21</td>
<td>8</td>
<td>Dual Mandate</td>
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<td>22</td>
<td>Exam 2</td>
<td>April 11th (in class)</td>
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<td>24</td>
<td>9</td>
<td>Fiscal Policy</td>
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<tr>
<td>25</td>
<td>9</td>
<td>Fiscal Policy</td>
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<tr>
<td>26</td>
<td>10</td>
<td>Exchange Rates</td>
<td>pp. 111 – 122</td>
<td>pp. 123 – 125</td>
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<tr>
<td>27</td>
<td>10</td>
<td>Exchange Rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>11</td>
<td>Cost of Education / Income Inequality</td>
<td>pp. 126 – 133</td>
<td>pp. 134 – 142</td>
</tr>
<tr>
<td>29</td>
<td>11</td>
<td>Cost of Education / Income Inequality</td>
<td></td>
<td></td>
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<tr>
<td>30</td>
<td>Exam 3</td>
<td>May 9th (in-class)</td>
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**Unit 3 (Problems With Growth) is a taped lecture. We will only spend a few minutes in class on this. But, you are responsible for the taped lecture. When we quickly do an overview of this material, you might want to have the entire Unit 3 packet with you in class.**
Weather Disruptions, Instructor Absence, or Falling Behind Schedule: if class is cancelled due to weather or instructor absence, we will most likely have a taped lecture to make up for the class. I have only missed class twice (in 17 years), but it is always possible that issues can arise.

In addition, if we fall behind in class (because we spend additional time discussing current events), it is possible that there might be a taped lecture to make sure we stay on track.

Optional Textbook (only if you feel like you need extra help; this is NOT required)

<table>
<thead>
<tr>
<th>Relevant Textbook Chapters from &quot;Modern Principles: Macroeconomics (3rd Ed.),&quot; by Tyler Cowen and Alex Tabarrok</th>
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</thead>
<tbody>
<tr>
<td>Unit 1: none</td>
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<tr>
<td>Unit 2: Chapters 6 – 8, 13 – 14</td>
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<tr>
<td>Unit 3: none</td>
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<tr>
<td>Unit 4: Chapter 10</td>
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<tr>
<td>Unit 5: Chapter 9 Appendix</td>
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<tr>
<td>Unit 6: Chapter 15</td>
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<td>Unit 7: Chapter 16</td>
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<td>Unit 8: Chapters 11 – 12</td>
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<td>Unit 9: Chapters 17 – 18</td>
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<td>Unit 10: Chapters 2, 19 - 20</td>
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<td>Unit 11: none</td>
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</tbody>
</table>
KEY DATES

PLEASE NOTE: I DO NOT GIVE MAKE-UP EXAMS (EXCEPT FOR UNIVERSITY APPROVED ABSENCES). IF YOU CAN’T MAKE THE EXAMS, PLEASE DO NOT TAKE THIS CLASS.

Thursday, Feb. 7th: please stop by my office hours by this date if you have an accommodation letter from the Dean of Students (or expect to have a letter)

Thurs. Feb. 14th: HW #1 due on Canvas by 2 PM
Thurs. Feb. 21st: Exam #1

Thurs. April 4th: HW #2 due on Canvas by 2 PM
Thurs. April 11th: Exam #2

Thurs. May 2nd: HW #3 due on Canvas by 2 PM
Thurs. May 9th: Exam #3
Sandy Leeds is a member of the Finance Department faculty at The University of Texas. He has been on the faculty for 17+ years and served as President of The MBA Investment Fund, L.L.C. for 13 of those years. He teaches both graduate and undergraduate level courses, including Corporate Finance, Advanced Corporate Finance, Public Policy (Long-Term Issues in the Markets), Investments, Portfolio Management / Security Analysis, Macroeconomics, and Money and Capital Markets. He has a J.D. from The University of Virginia School of Law, an MBA from The University of Texas at Austin and a B.S. in Investment Management from The University of Alabama. He is a member of the Texas State Bar and holds the Chartered Financial Analyst designation.

Prior to joining the faculty, Sandy managed money for a private money management firm. He was one of four portfolio managers responsible for approximately $1.6 billion of assets. He spent the majority of his time analyzing publicly traded companies. He also has extensive experience implementing option strategies.

In addition to money management experience, Sandy also has significant legal experience. He has conducted approximately 100 jury trials and 100 bench trials. He has participated in the regulation of the securities industry, conducting the hearing against most of the principals involved in the Sterling Foster case (a $75 million fraud). He has also advised attorneys on financial related litigation involving options, hedge funds, and other matters.

Sandy is a frequent conference speaker, typically discussing the economy and the markets. He used to write a blog (LeedsonFinance) that attracted more than 10,000 subscribers. Recently, he joined Keith Brown and Frank Reilly as a co-author of the 11th edition of “Investment Analysis & Portfolio Management.” This edition has just been released (spring of 2018).

At UT, Sandy has received numerous teaching awards, including three school-wide awards: the Joe D. Beasley Teaching Award (for teaching in the graduate program), the CBA Foundation Advisory Council Award for Teaching Innovation, and the Jim Nolen Award for Excellence in Graduate Teaching. He has received recognition from his students with the “Outstanding MBA Professor Award” (selected by the full-time MBA students in multiple years, the Evening MBA students and the Dallas MBA students) and the “Outstanding MSF Professor Award” (in multiple years). In 2015, he was selected (at the University level) to be a Provost Teaching Fellow and then served on the steering committee of that organization. Within the Austin community, he served a three-year term on the Investment Committee for the Austin Community Foundation (managing $100 million) and recently finished a term as the vice-Chair for the Board of Trustees at The Girls’ School of Austin.
Academic Dishonesty

Academic dishonesty will not be tolerated. Any individual suspected of cheating, including stealing or using stolen examinations, will be disciplined to the maximum extent possible. Review UT Honor Code at http://registrar.utexas.edu/catalogs/gi09-10/ch01/index.html

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business:

By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course an/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Students with Disabilities

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) is housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at http://deanofstudents.utexas.edu/ssp/index.php. Please do not hesitate to contact SSD at (512) 471-6259, 471-6441 TTY or via e-mail if you have any questions.

Religious Holidays

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you miss a class, an examination, a work assignment or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.