

BNAD 301
Global and Financial Economics and Strategies
WINTER 2009/2010

Instructor: Mario Samano, <http://u.arizona.edu/~msamano> email: msamano@email.arizona.edu

Course website: <http://blackboard.eller.arizona.edu>

Your username is your UofA ID (your username of your email account at UofA), your password is your Student ID (the one that usually consists of a capital S followed by 8 digits, make sure that you type a capital S and not just "s").

Time and Location: MTWRF, 1:00PM - 3:50PM, M LNG 311.

Monday December 21, 2009 - Tuesday January 12th, 2010.

Last day of registration for credit Tuesday, December 22, 2009

Christmas Holidays - no classes Thursday-Friday, Dec 24-25, 2009

New Year's Day - no classes Friday, January 1, 2010

Recommended text: *Financial Economics*, Bodie, Merton and Cleeton.

Office Hours: After class or at the beginning of the class by appointment (send me an email to discuss the time).

Description of the course. The first part is about strategic behavior in economics. We will begin with a recap of the model of supply and demand. Then we will move to the study of market structures: competitive markets, monopoly and duopoly. For the last one, the tools from Econ200 are not enough. In order to deal with those situations we will talk about strategic interactions in terms of games (in the economics sense). Examples: entry/exit, Cournot, Bertrand, advertising.

The second and third part of the course are about financial markets. We will begin with concepts on interest rates and project sensitivity analysis. In the last part of the course we will see more specific financial instruments such as bonds, futures and options.

Please feel free to participate in class and ask questions about the material of the course. It is very likely that if you have a question, you are not the only one in class with that question.

If you want to learn something about economics I suggest you to come to class everyday.

Grading: There will be assignments, in-class work and group presentations (of the projects).

There will be three exams: two midterms and one final (cumulative). If you miss an examination you must contact me before or immediately after the exam. If you have a valid reason for missing the exam, your grade on the final will replace the grade from the missed exam, otherwise you will receive zero.

The distribution of your grade is as follows

Homeworks, in-class work, projects	40%
Midterm 1	20%
Midterm 2	20%
Final Exam (cumulative)	20%

Exams and Presentations:

Project 1	December 29, 2009
Midterm 1	December 30, 2009
Midterm 2	January 6, 2010
Project 2	January 11, 2010
Final (cumulative)	January 12, 2010

All exams and quizzes are closed-book and closed-notes. Cheating will NOT be tolerated. Anyone caught cheating or attempting to cheat on any exam or quiz will automatically fail the class.

Contents of the course

The course consists of three parts. Each one is associated with each one of the three exams. The chapters to which I make reference to in parts 2 and 3 are from the recommended textbook.

1. *Strategic Behavior*

Demand and supply

Market structures: competitive markets, monopoly, duopoly, Cournot, Bertrand and Stackelberg competition

Normal form games

2. *Financial Markets I*

Financial markets and institutions (Ch. 2.6 - Ch. 2.9)

Allocating resources over time (Ch. 4)

Project sensitivity analysis (Ch. 6)

3. *Financial Markets II*

Market valuation (Ch. 7)

Bonds (Ch. 8)

Risk (Ch. 10, Ch. 11)

Futures (Ch. 14)

Options (Ch. 15)

Disabilities: Students with disabilities who wish to request special accommodations need to do so through the procedures established by the Disability Resource Center (if the DRC is not working over the winter please let me know).