

Tentative Syllabus
BA 400 Special Topics (Summer 2007)
(Integrating US and Foreign Financial Systems: Chile)
Prerequisites: Permission of Instructor

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Objectives: BA 400 acquaints the student with modern concepts of international finance. We broaden our horizons by visiting foreign financial institutions, regulatory entities and businesses.

Texts: BA 400 has sometimes used a case book and a text book. Not this term. We will use articles in the public domain or that are free for educational use..

Suggested Periodicals for Those in the Business (illustrative, not exhaustive): *The Wall Street Journal* (and its index), *Barron's*, *Business Week*, *Fortune*, *Forbes*, *Money*, the Federal Reserve Bank of Atlanta's *Financial Update*, the Federal Reserve Bank of Chicago's *Chicago Fed Letter*, the Federal Reserve Bank of Cleveland's *Economic Commentary*, practitioner-oriented journals (e.g. *Financial Analysts Journal*, the *Journal of Portfolio Management*, the Bank of America *Journal of Applied Corporate Finance*).

Blackboard Registration: Course information and materials, including lecture notes and details about course assignments, are posted periodically using Blackboard, the UT web-based instructional resource. Students have the responsibility to check the BA 400 website regularly for up-to-date information about assignments. Class cancellations due to weather or illness will be posted there, as well. Please form a partnership with a classmate so that you can alert each other of announcements. *We'll use the Assignment Manager for almost all written assignments. When in doubt, submit it to the Assignment Manager!*

Students are expected to maintain e-mail accounts, to ensure that their current e-mail address is recorded in their Blackboard registration information, and to check their e-mail periodically for announcements relating to the class assignments. Should your e-mail address change during the semester, it is your responsibility to make the required changes.

Travel instructions and information: Special instructions for the travel itself will be provided at orientation.

Grades: BA 400 uses a percentage scale:

90% and above:	A
85% to 89.9999:	B+
80% to 84.9999:	B
75% to 79.9999:	C+
70% to 74.9999:	C
60% to 69.9999:	D
Below 60%:	F

Grades are based primarily on attendance, participation, projects or homework assignments, quizzes (some may be unannounced), and professional behavior.

Note on professional behavior: We represent not just the University of Tennessee, but also the United States of America. We will be the first, last and only representatives of Tennessee and the US that many Chileans will ever meet. This is a large responsibility and we must act accordingly.

Assignment Weights for Grading:

Attendance (classroom sessions)	10 points each session.
(Tours and other on-site)	20 points each activity.
Daily blog or journal entry:	5 points per day.
Participation	5 points each session or activity.
Projects and Homework:	5-20 points each.
Quizzes:	5-20 points each.
Professional Behavior	50 points (entire course).

Missing a class, tour or other activity results in a zero for the activity. Missing part of the event results in a proportionate deduction.

Total points for the course depends on the number of tours, quizzes, projects, homework, etc.

Note Regarding Mobile Telephones: Please disable audible ringing during class, tours or other formal group activities.

If you must miss any scheduled work, notify the instructor in advance.

Obtaining Grades: Use the Blackboard site to see your grades on assignments.

The Office of Disability Services requests that we include this:

"Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs. Please contact the Office of Disability Services at 865-974-6087 in Hoskins Library to coordinate reasonable accommodations for students with documented disabilities."

The College of Business requests that we include a statement regarding academic dishonesty:

"Please refer to Hilltopics. If you do not have a paper copy it can be found on-line @ <http://web.utk.edu/~homepage/hilltopics/default.html>."

Tentative Course Outline

Note: Students are expected to study the assigned materials *before* class.
Assignments market Online@ut are on the course's Blackboard site.

Monday, February 19

Orientation 1. Cover key aspects of trip. Distribute readings, syllabus. Explain UT expectations and student responsibilities. Assign cultural acclimation projects.

Monday, March 19

Orientation 2. Students present cultural acclimation projects.

Wednesday, April 4

Orientation 3. Safety and Study Abroad DVD. Departure checklist.

Sunday, July 15

Student deadline to arrive Santiago.

Dinner on own, but instructor will lead a group to moderately priced restaurant.

Meeting with instructor at dinner or on arrival.

First night in Santiago lodging.

Monday, July 16

Course Introduction

Review syllabus.

Why Banks?

Benston, George J. "What's Special About Banks?" *Financial Review* 39, 2004, 13-33. Online@ut.

Guided tour of area around classroom.

Tuesday, July 17

Retirement and Social Security: Comparing the US and Chile

Gerald P. Dwyer, Jr.. "Social Security Private Accounts: A Risky Proposition?" *Economic Review*, Third Quarter 2005, 1-13. Online@ut.

Guided tour of Santiago, returning for class dinner.

Wednesday, July 18

Company visit (see List A):

Travel to company.

Visit facility, meet practitioners.

Thursday, July 19

A Short Course in Financial Engineering

Carlstrom, C.T. and K.A. Samolyk. "Securitization: More than Just a Regulatory Artifact." *Economic Commentary* 5/1/92. Online@ut.

Ergungor, O. Emre. "Securitization." *Economic Commentary* 8/15/03. Online@ut.

Subordinated Debt as a Risk Management Tool

Haubrich, Joseph G. "Subordinated Debt: Tough Love for Banks?" *Economic Commentary*, 12/98. Online@ut.

Work on assignments, including meet with instructor.

Friday, July 20

Company visit (see List A):

Travel to company.

Lunch at or near location.

Visit facility, meet practitioners.

Class discussion on return.

Saturday, July 21 and Sunday, July 22

Cultural trip (Colchagua Valley).

Monday, July 23

International Regulation and Supervision

Robert A. Eisenbeis and George G. Kaufman. "Bank Crisis Resolution and Foreign-Owned Banks." *Economic Review*, Fourth Quarter 2005, 1-18. Online@ut.

Jordan, Jerry L. "Effective Supervision and the Evolving Financial Services Industry." *Economic Commentary*, June 2001." Online@ut.

Stevens, Ed. Evolution in Banking Supervision. *Economic Commentary*, March 1, 2000. Online@ut.

Kane, Edward J. "Confronting Divergent Interests in Cross-Country Regulatory Arrangements." Reserve Bank of New Zealand: *Bulletin*, Vol. 69, No. 2.

Work on assignments (TBA)

Tuesday, July 24

Central Banks, Legal Systems and Bank Development

Ergungor, O. Emre. "Legal Systems and Bank Development." *Economic Commentary*, February 1, 2002. Online@ut.

Bryan, Michael F. and Bruce Champ. "Fear and Loathing of Central Banks in America." *Economic Commentary*, June 2002. Online@ut.

Talk by local businessman (see List A)

Class dinner and discussion.

Wednesday, July 25

Company visit (see List A):

Travel to company.

Visit facility, meet practitioners.

Class discussion on return, time permitting.

Thursday, July 26

Illegal International Banking Services: Money Laundering

Bauer, Paul W. and Rhoda Ullmann. "Understanding the Wash Cycle."
Economic Commentary, September 15, 2000. Online@ut.

Can They Really Do That? Human Capital Sales.

Palacios, Miquel. "Equity-like Instruments for Financing Higher Education,"
Cato Institute Policy Analysis Paper No. 462, 2002. Online@ut.
Work on assignments (TBA)

Friday, July 27

Free time until afternoon travel to cultural trip.

Class dinner on arrival.

Saturday, July 28 and Sunday, July 29

Cultural trip (Andes Mountains)

Monday, July 30

Final wrap-up

Course summary

Class discussion: Integrating experiences of the program.

Class evaluations (PAO and College)

Farewell lunch.

BA400 Program ends 3:00 p.m.

** This outline is subject to revision, depending on our progress throughout the term.

List A: Business Trips (rough priority)

Stock Exchange (Santiago).

Central Bank of Chile (Banco Central De Chile).

Organizations related to Social Security (e.g. Administradoras de Fondos de Pensiones,
or AFP).

Entel, including the top of their tower in Santiago.

Others that local contact might recommend.