

**University of Southern California**  
**Econ 457: Financial Markets**  
**Spring 2025**

Information

Professors: Marianne Andries  
[andries@usc.edu](mailto:andries@usc.edu)  
KAP 364  
Office hrs: Wednesday 9:30-10:30a

TA: TBA

Lecture: SSL 202  
Tues & Thurs, 10 – 11:20am

Textbook: “Investments”  
Bodie, Kane and Marcus, 13<sup>th</sup> Edition

Reading Assignments

Students are expected to complete the assigned readings *before* each lecture. Readings primarily consist of chapters from the textbook. There may be additional supplemental readings, which will be listed on Brightspace.

Lecture Slides and Notes

Lecture slides will be posted to Brightspace before each lecture. Lectures will follow the structure and content of the slides. However, the information contained in the slides will not be comprehensive. Class discussion and writing on the chalkboard (or iPad) will supplement the material in the slides. Students are encouraged to take their own notes during class, as the posted lecture slides will be a poor (incomplete) record of the material.

Evaluation

*Homework:* Regular homework assignments will help students track their own progress, as well as prepare for the exams. Exam questions will closely resemble those assigned in the homework.

I will usually assign homework at the end of class. Hard copies of every homework are due at the beginning of each class. **YOU MUST STAPLE YOUR HW. PLEASE DO NOT FOLD HW IN THE CORNER.** If for some reason you are unable to attend a particular class session, be sure to email the TA a PDF of your HW prior to the start of the class session. Homework solutions will be posted right after class to Blackboard for all assignments.

*Project:* More information will be provided in later in the semester regarding the project. It will likely involve some work in MS Excel or a similar spreadsheet program. You are free to work in groups or individually, but each person must turn in their own project.

*Midterms and Final:* Each section will have a midterm. There will also be a final exam.

All exams are closed book, although you will be allowed a single double-sided 8½ × 11 page of notes for the midterm and the final. Do not bring two pages of notes to an exam. For both exams, you will need a calculator that can raise numbers to arbitrary powers. Laptop computers and calculators with word-processing features are not permitted for use in an exam.

*Inability to Take an Exam:* Excused absences from either a midterm or final will be evaluated on a case-by-case basis and must be approved by me prior to the exam. In the event you are unable to take a midterm exam due to an excused absence, the final exam will count for the midterm + final exam grade. In the event you are unable to take the final exam due to an excused absence, you will be required to take an Incomplete in the course and will be required to take the final exam the following semester, on the time and date it is taken by that class in order to remove the Incomplete grade. No special accommodations will be made in this circumstance including allowing you to take the exam at a different time or at a different location. Per University policy, students are required to make up the work to satisfy a grade of Incomplete within one year. Extensions beyond the University-mandated one-year window will not be granted.

Grades will be computed as follows:

Homework	10%
Midterm 1	15%
Midterm 2	15%
Project	20%
Final	40%

## Course Content and Readings

*NOTE: This may be changed or updated. Changes will be posted on Brightspace and students will be notified via email.*

### Introduction

Week 1	Topic:	What is a financial asset?
Week 2	Topic:	Uncertainty
Week 3	Topic:	Risky Assets
Week 4	Topic: Reading:	The Investment Environment Bodie et al, Chapters 1 and 2
Week 5	Topic: Reading:	Rates of Return Bodie et al, Chapter 5

### *Mid-term #1*

### Fixed Income

Week 6	Topic: Reading:	Bond Prices and Yields Bodie et al, Chapter 14
Week 7	Topic: Reading:	Term Structure of Interest Rates Bodie et al, Chapter 15
Week 8	Topic: Reading:	Managing Bond Portfolios Bodie et al, Chapter 16

### Equities and Derivatives

Week 9	Topic: Reading:	Equity Valuation Models Bodie et al, Chapter 18
Week 10	Topic: Reading:	Futures Bodie et al, Chapter 22

### *Mid-term #2*

Portfolio Construction, CAPM, and Efficient Markets

Week 11	Topic:	Portfolio Construction
	Reading:	Bodie et al, Chapter 6
Week 12	Topic:	Diversification
	Reading:	Bodie et al, Chapter 7
Week 13	Topic:	CAPM
	Reading:	Bodie et al, Chapter 9
Week 14	Topic:	Efficient Markets Hypothesis
	Reading:	Bodie et al, Chapter 11
Week 15	Topic:	TBD
	Reading:	TBD

*Final Exam*

## Statement on Academic Conduct and Support Systems

### Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” [policy.usc.edu/scampus-part-b](https://policy.usc.edu/scampus-part-b). Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, [policy.usc.edu/scientific-misconduct](https://policy.usc.edu/scientific-misconduct).

### Support Systems:

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*  
[studenthealth.usc.edu/counseling](https://studenthealth.usc.edu/counseling)

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

*National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call*  
[suicidepreventionlifeline.org](https://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call*

[studenthealth.usc.edu/sexual-assault](https://studenthealth.usc.edu/sexual-assault)

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Office of Equity and Diversity (OED) - (213) 740-5086 | Title IX – (213) 821-8298*  
[equity.usc.edu](https://equity.usc.edu), [titleix.usc.edu](https://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*  
[usc-advocate.symplicity.com/care\\_report](https://usc-advocate.symplicity.com/care_report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

*The Office of Disability Services and Programs - (213) 740-0776*  
[dsp.usc.edu](https://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

*USC Campus Support and Intervention - (213) 821-4710*  
[campussupport.usc.edu](https://campussupport.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity at USC - (213) 740-2101*  
[diversity.usc.edu](https://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*

[dps.usc.edu](https://dps.usc.edu), [emergency.usc.edu](https://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*

[dps.usc.edu](https://dps.usc.edu)

Non-emergency assistance or information.