

# ECON 5052W: Financial Markets and Instruments

## Winter 2024

Carleton University  
Department of Economics  
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Loeb Building D-898

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### Meeting Times:

Lectures: In person, Thursdays, 2:35p.m-5:25 p.m., view the location on Carleton Central  
Office hours: In person, Loeb D-898, Fridays, 11:30a.m-1p.m.  
Website: Accessible at <https://brightspace.carleton.ca>

### Course Objectives:

This course is designed to provide students with a rigorous overview of some of the major topics in the theory of corporate finance. Broad topics include corporate institutions, financing and agency costs, and security design. Covering the entire field in such a short time is not possible, and we shall stress depth on key issues over breadth of coverage. The course will use a number of microeconomic tools, especially game theory and contract theory. The goal of the class is to develop economic intuition however, and the mathematics are kept as straightforward as possible.

### Required Textbook and Readings:

The main reference for the course is *The Theory of Corporate Finance*, by Jean Tirole (2006). Topics and relevant readings will be outlined on the class reading list, which is posted on the course web-page. Readings not found in the text can be obtained online through the library, or the class site at <https://brightspace.carleton.ca>.

### Grading:

Marks are based on participation, an assignment, a presentation, and a final exam which is scheduled by the university. Weights are as follows:

#### Grading Scheme

|               |      |
|---------------|------|
| Participation | 5 %  |
| Assignment    | 25 % |
| Presentation  | 25 % |
| Final Exam    | 45 % |

The assignment is due on the last day of classes, and thus late assignments will not be accepted without a *very* compelling reason. Should the final exam be missed for any reason, a grade of F

will be assigned and the student must arrange for the possibility of a deferred examination through the Registrar's Office within 3 working days of the exam. If granted by the Registrar's Office, this exam will take place during the time designated in the Calendar. Special final exams will not be given.

See Academic Regulation 2.3 for the official meanings of the grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm.

### **Plagiarism:**

Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For further information, please see

<https://carleton.ca/economics/plagiarism-resources-and-accommodations/>.

### **Online Etiquette:**

See the following statement regarding etiquette at Carleton:  
[carleton.ca/online/online-learning-resources/netiquette/](https://carleton.ca/online/online-learning-resources/netiquette/)

### **Course Copyright:**

Classroom teaching and learning activities, including lectures, discussions, presentations, etc., by both instructors and students, are copyright protected and remain the intellectual property of their respective author(s). All course materials, including PowerPoint presentations, outlines, and other materials, are also protected by copyright and remain the intellectual property of their respective author(s). Students registered in the course may take notes and make copies of course materials for their own educational use only. Students are not permitted to reproduce or distribute lecture notes and course materials publicly for commercial or non-commercial purposes without express written consent from the copyright holder(s).

### **Accommodation Statements:**

You may need special arrangements to meet your academic obligations during the term. For an accommodation request the processes are as follows:

**Pregnancy obligation:** Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website.

**Religious obligation:** Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website.

**Academic Accommodations for Students with Disabilities:** If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre

for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. For more details, visit the Paul Menton Centre website.

**Survivors of Sexual Violence:** As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and where survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: [carleton.ca/sexual-violence-support](http://carleton.ca/sexual-violence-support).

**Accommodation for Student Activities:** Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.