## Contents in Detail

	Contents on the Web	27
	Preface	31
	About the Authors	39
PART ONE	INTRODUCTION	
Chapter 1	Why Study Financial Markets and Institutions?	4.3
	PREVIEW	41
	Why Study Financial Markets?	42
	Debt Markets and Interest Rates	42
	The Stock Market	43
	The Foreign Exchange Market	44
	Why Study Financial Institutions?	46
	Structure of the Financial System	46
	Financial Crises	46
	Central Banks and the Conduct of Monetary Policy	47
	MINI-CASE Are Bitcoin or Other Cryptocurrencies Money?	47
	The International Financial System	48
	Banks and Other Financial Institutions	48
	Financial Innovation	48
	Managing Risk in Financial Institutions	49
	Applied Managerial Perspective	49
	How We Will Study Financial Markets and Institutions	49
	Exploring the Web	50
	Collecting and Graphing Data	50
	Web Exercise Concluding Demorks	52
	Concluding Remarks SUMMARY	53
	KEY TERMS	53
	QUESTIONS	53
	QUANTITATIVE PROBLEM	54
	WEB EXERCISES	54
Chapter 2	Overview of the Financial System	55
	PREVIEW	55
	Function of Financial Markets	56
	Structure of Financial Markets	58
	Debt and Equity Markets	58
	Primary and Secondary Markets	58
	Exchanges and Over-the-Counter Markets	59
	Money and Capital Markets	60
		(

	Internationalization of Financial Markets	60
	International Bond Market, Eurobonds, and Eurocurrencies	60
	> GLOBAL Are U.S. Capital Markets Losing Their Edge?	61
	World Stock Markets	62
	Function of Financial Intermediaries: Indirect Finance	62
	> FOLLOWING THE FINANCIAL NEWS Foreign Stock Market Indexes	63
	> GLOBAL The Importance of Financial Intermediaries Relative to Securities	
	Markets: An International Comparison	63
	Transaction Costs	63
	Risk Sharing	64
	Asymmetric Information: Adverse Selection and Moral Hazard	65
	Economies of Scope and Conflicts of Interest	66
	Types of Financial Intermediaries	67
	Depository Institutions	67
	Contractual Savings Institutions	68
	Investment Intermediaries	70
	Regulation of the Financial System	71
	Increasing Information Available to Investors	72
	Ensuring the Soundness of Financial Intermediaries	72
	Financial Regulation Abroad	73
	SUMMARY	74
	KEY TERMS	75
	QUESTIONS	75
	WEB EXERCISES	76
PART TWO	FUNDAMENTALS OF FINANCIAL MARKETS	
Chapter 3	What Do Interest Rates Mean, and What Is Their	
	Role in Valuation?	77
	PREVIEW	77
	Measuring Interest Rates	78
	Present Value	78
	Four Types of Credit Market Instruments	80
	Yield to Maturity	81
	> GLOBAL Negative Interest Rates? Japan First, Then the United States, Then Europe	87
	The Distinction Between Real and Nominal Interest Rates	88
	> MINI-CASE Seeing the Difference Between Real and Nominal in Practice:	
	Australian eTIBs	90
	The Distinction Between Interest Rates and Returns	91
	Maturity and the Volatility of Bond Returns: Interest-Rate Risk	94
	Reinvestment Risk	95
	Summary	95
	> THE PRACTICING MANAGER Calculating Duration to Measure Interest-Rate Risk	96
	Calculating Duration	97
	Duration and Interest-Rate Risk	100
	SUMMARY	102
	KEY TERMS	102
	QUESTIONS	103

	Contents in Detail	1
		1.0
	QUANTITATIVE PROBLEMS	10
	WEB EXERCISE	104
Chapter 4	Why Do Interest Rates Change?	10
	PREVIEW	10
	Determinants of Asset Demand	10
	Wealth	10
	Expected Returns	10
	Risk	10
	Liquidity	109
	Theory of Portfolio Choice	109
	Supply and Demand in the Bond Market	109
	Demand Curve	110
	Supply Curve	11
	Market Equilibrium	112
	Supply-and-Demand Analysis	113
	Changes in Equilibrium Interest Rates	113
	Shifts in the Demand for Bonds	114
	Shifts in the Supply of Bonds	11
	> CASE Changes in the Interest Rate Due to Expected Inflation: The Fisher Effect	119
	CASE Changes in the Interest Rate Due to a Business Cycle Expansion	12
	CASE Explaining the Low Interest Rates in Europe, Japan, and the United States Before 2022	12
	> THE PRACTICING MANAGER Profiting from Interest-Rate Forecasts	12:
	> FOLLOWING THE FINANCIAL NEWS Forecasting Interest Rates	12
	SUMMARY	12
	KEY TERMS	12
	QUESTIONS	12
	QUANTITATIVE PROBLEMS	120
	WEB EXERCISES	12
	WEB APPENDICES	12
	WED ATTENDIOLO	
Chapter 5	How Do Risk and Term Structure Affect Interest Rates?	128
	PREVIEW	128
	Risk Structure of Interest Rates	129
	Default Risk	129
	Liquidity	132
	> CASE The Coronavirus Pandemic and the Baa-Treasury Spread	132
	Income Tax Considerations	133
	Summary	134
	> CASE Effects of the Trump Tax Cuts on Bond Interest Rates	13
	Term Structure of Interest Rates	136
	> FOLLOWING THE FINANCIAL NEWS Yield Curves	13
	Expectations Theory	13
	Market Segmentation Theory	14
	Liquidity Premium Theory	142

Evidence on the Term Structure

	MINI-CASE The Yield Curve as a Forecasting Tool for Inflation and the Business Cycle	147
	Summary	147
	> CASE Interpreting Yield Curves, 1980–2022	148
	> THE PRACTICING MANAGER Using the Term Structure to Forecast Interest Rates	149
	SUMMARY	152
	KEY TERMS	152
	QUESTIONS	152
	QUANTITATIVE PROBLEMS	153
	WEB EXERCISES	154
Chapter 6	Are Financial Markets Efficient?	155
	PREVIEW	155
	The Efficient Market Hypothesis	156
	Rationale Behind the Hypothesis	158
	Evidence on the Efficient Market Hypothesis	159
	Evidence in Favor of Market Efficiency	159
	> MINI-CASE An Exception That Proves the Rule: Raj Rajaratnam and Galleon	160
	> CASE Should Foreign Exchange Rates Follow a Random Walk?	162
	Evidence Against Market Efficiency	163
	Overview of the Evidence on the Efficient Market Hypothesis	165
	> THE PRACTICING MANAGER Practical Guide to Investing in the Stock Market	165
	How Valuable Are Published Reports by Investment Advisers?	165
	MINI-CASE Should You Hire an Ape as Your Investment Adviser?	166
	Should You Be Skeptical of Hot Tips?	166
	Do Stock Prices Always Rise When There Is Good News?	167
	Efficient Markets Prescription for the Investor	167
	Why the Efficient Market Hypothesis Does Not Imply That Financial Markets Are Efficient	168
	CASE What Do Stock Market Crashes Tell Us About the Efficient Market Used the circles	169
	Market Hypothesis?	169
	Behavioral Finance SUMMARY	170
	KEY TERMS	171
	QUESTIONS	171
	QUANTITATIVE PROBLEMS	172
	WEB EXERCISE	172
	-11, #.2697-57B stl bns 3m://-1	
PART THREE	FUNDAMENTALS OF FINANCIAL INSTITUTIONS	
Chapter 7	Why Do Financial Institutions Exist?	173
	PREVIEW	173
	Basic Facts About Financial Structure Throughout the World	174
	Transaction Costs	177
	How Transaction Costs Influence Financial Structure	177
	How Financial Intermediaries Reduce Transaction Costs	177

	MINI-CASE Collateralized Debt Obligations (CDOs)	213
	Effects of the 2007–2009 Financial Crisis	214
	> INSIDE THE FED Was the Fed to Blame for the Housing Price Bubble?	215
	> GLOBAL The European Sovereign Debt Crisis	218
	Height of the 2007–2009 Financial Crisis	219
	> CASE Could Covid Have Led to a Financial Crisis?	220
	SUMMARY	221
	KEY TERMS	222
	QUESTIONS	222
	WEB EXERCISE	223
	WEB REFERENCES	223
PART FOUR	CENTRAL BANKING AND THE CONDUCT OF MONETARY POLICY	
Chapter 9	Central Banks	224
	PREVIEW	224
	Origins of the Central Banking System	225
	Variations in the Functions and Structures of Central Banks	225
	> GLOBAL Who Should Own Central Banks?	226
	The European Central Bank, the Euro System, and the European System	
	of Central Banks	226
	Decision-Making Bodies of the ECB	227
	> GLOBAL The Importance of the Bundesbank Within the ECB	230
	How Monetary Policy Is Conducted Within the ECB	231
	> GLOBAL Are Non-Euro Central Banks Constrained by Membership of the EU?	232
	The Federal Reserve System	232
	Difference Between the ECB and the Fed	233
	The Bank of England	234
	> GLOBAL Brexit and the BoE	235
	Structure of Central Banks of Larger Economies	235
	The Bank of Canada	235
	The Bank of Japan	236
	The People's Bank of China	237
	Structure and Independence of Central Banks of Emerging Market Economies	238
	Central Banks Independence	238
	The Case for Independence	239
	The Case Against Independence	239
*	The Trend Toward Greater Independence	239
	SUMMARY	240
	KEY TERMS	241
	QUESTIONS AND PROBLEMS	241
	WFR FXFRCISES	241

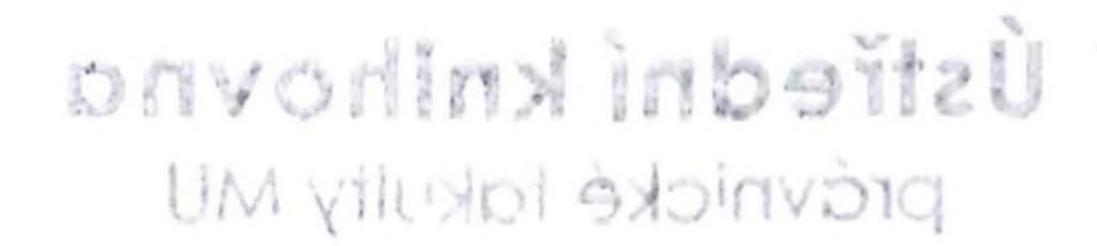
Chapter 10	Conduct of Monetary Policy	242
	PREVIEW	242
	How Fed Actions Affect Reserves in the Banking System	243
	Open Market Operations	243
	Discount Lending	244
	The Market for Reserves and the Federal Funds Rate	245
	Demand and Supply in the Market for Reserves	245
	How Changes in the Tools of Monetary Policy Affect the Federal Funds Rate	247
	> CASE How the Federal Reserve's Operating Procedures Limit Fluctuations	
	in the Federal Funds Rate	251
	Conventional Monetary Policy Tools	252
	Open Market Operations	252
	> INSIDE THE FED A Day at the Trading Desk	253
	Discount Policy and the Lender of Last Resort	253
	Reserve Requirements	256
	Interest on Excess Reserves	256
	Nonconventional Monetary Policy Tools and Quantitative Easing	256
	Liquidity Provision	257
	> INSIDE THE FED Fed Lending Facilities During the Global Financial and Covid Crises	258
	Large-Scale Asset Purchases	259
	Quantitative Easing Versus Credit Easing	260
	Forward Guidance	261
	Negative Interest Rates on Banks' Deposits	263
	Monetary Policy Tools of the European Central Bank	264
	Open Market Operations	264
	Lending to Banks	264
	Interest on Excess Reserves	265
	Reserve Requirements	265
	The Price Stability Goal and the Nominal Anchor	265
	The Role of a Nominal Anchor	266
	The Time-Inconsistency Problem	266
	Other Goals of Monetary Policy	267
	High Employment and Output Stability	267
	Economic Growth	268
	Stability of Financial Markets	268
	Interest-Rate Stability	268
	Stability in Foreign Exchange Markets	269
	Should Price Stability Be the Primary Goal of Monetary Policy?	269
	Hierarchical Versus Dual Mandates	269
	Price Stability as the Primary, Long-Run Goal of Monetary Policy	270
	Inflation Targeting	271
	Advantages of Inflation Targeting	271
	> INSIDE THE FED Ben Bernanke and the Federal Reserve's Adoption	
	of Inflation Targeting	272
	> Inside The Fed The Fed's New Monetary Policy Strategy: Average	272
	Inflation Targeting Disadvantages of Inflation Targeting	273 273
	DISAUVAIILAKES OI IIIIIALIUII TAIRELIIIR	413

	Should Central Banks Respond to Asset-Price Bubbles? Lessons from the Global Financial Crisis	274
	Two Types of Asset-Price Bubbles	275
	The Debate over Whether Central Banks Should Try to Pop Bubbles	276
	> THE PRACTICING MANAGER Using a Fed Watcher	279
	SUMMARY	280
	KEY TERMS	281
	QUESTIONS	281
	QUANTITATIVE PROBLEMS	282
	WEB EXERCISES	283
PART FIVE	FINANCIAL MARKETS	
Chapter 11	The Money Markets	284
	PREVIEW	284
	The Money Markets Defined	285
	Why Do We Need the Money Markets?	285
	Money Market Cost Advantages	286
	The Purpose of the Money Markets	287
	> MINI-CASE Covid and Prime Money Market Fund Withdrawals	288
	Who Participates in the Money Markets?	288
	U.S. Treasury Department	288
	Federal Reserve System	289
	Commercial Banks	289
	Businesses	290
	Investment and Securities Firms	290
	Individuals	290
	Money Market Instruments	291
	Treasury Bills	291
	> CASE Discounting the Price of Treasury Securities to Pay the Interest	291
	> MINI-CASE Treasury Bill Auctions Go Haywire	294
	Federal Funds	295
	Repurchase Agreements	296
	Negotiable Certificates of Deposit	297
	Commercial Paper	298
	Banker's Acceptances	300
	Eurodollars	301
	> GLOBAL Ironic Birth of the Eurodollar Market	301
	Comparing Money Market Securities	302
	Interest Rates	302
	Liquidity	303
	How Money Market Securities Are Valued	304
	SUMMARY	305
	KEY TERMS	305
	QUESTIONS	305
	QUANTITATIVE PROBLEMS	306
	WEB EXERCISES	306

Chapter 12	The Bond Market	307
	PREVIEW	307
	Purpose of the Capital Market	308
	Capital Market Participants	308
	Capital Market Trading	309
	Types of Bonds	309
	Treasury Notes and Bonds	309
	Treasury Bond Interest Rates	310
	Treasury Inflation-Protected Securities (TIPS)	312
	Treasury STRIPS	312
	Agency Bonds	312
	CASE The 2007–2009 Financial Crisis and the Bailout of Fannie Mae and Freddie Mac	313
	Municipal Bonds	314
	Risk in the Municipal Bond Market	316
	Corporate Bonds	316
	Characteristics of Corporate Bonds	317
	Types of Corporate Bonds	319
	Financial Guarantees for Bonds	322
	Oversight of the Bond Markets	323
	Current Yield Calculation	323
	Current Yield	324
	Finding the Value of Coupon Bonds	325
	Finding the Price of Semiannual Bonds	326
	Investing in Bonds	328
	SUMMARY	329
	KEY TERMS	330
	QUESTIONS	330
	QUANTITATIVE PROBLEMS	330
Chapter 13	The Stock Market	332
	PREVIEW	332
	Investing in Stocks	333
	Common Stock Versus Preferred Stock	333
	How Stocks Are Sold	334
	Computing the Price of Common Stock	338
	The One-Period Valuation Model	338
	The Generalized Dividend Valuation Model	339
	The Gordon Growth Model	340
	Price Earnings Valuation Method	34
	How the Market Sets Security Prices	342
	Errors in Valuation	343
	Problems with Estimating Growth	343
	Problems with Estimating Risk	344
	Problems with Forecasting Dividends	344
	MINI-CASE Covid Impact on Stock Markets Ústřední knihovna	345

právnické fakulty MU Brno

	Stock Market Indexes	345
	> MINI-CASE History of the Dow Jones Industrial Average	346
	Buying Foreign Stocks	347
	Regulation of the Stock Market	347
	The Securities and Exchange Commission	349
	SUMMARY	350
	KEY TERMS	350
	QUESTIONS	350
	QUANTITATIVE PROBLEMS	351
	WEB EXERCISE	352
Chapter 14	The Mortgage Markets	353
	PREVIEW	353
	What Are Mortgages?	354
	Characteristics of the Residential Mortgage	355
	Mortgage Interest Rates	355
	> CASE The Discount Point Decision	356
	Loan Terms	358
	Mortgage Loan Amortization	359
	Types of Mortgage Loans	360
	Insured and Conventional Mortgages	360
	Fixed- and Adjustable-Rate Mortgages	361
	Other Types of Mortgages	361
	Mortgage-Lending Institutions	363
	Loan Servicing	364
	> E-FINANCE Borrowers Shop the Web for Mortgages	365
	Secondary Mortgage Market	365
	Securitization of Mortgages	366
	What Is a Mortgage-Backed Security?	366
	Types of Pass-Through Securities	368
	Subprime Mortgages and CDOs	369
	The Real Estate Bubble	370
	> MINI-CASE Has Covid Led to a Housing Price Bubble?	371
	SUMMARY	371
	KEY TERMS	371
	QUESTIONS	372
	QUANTITATIVE PROBLEMS	372
Chapter 15	The Foreign Exchange Market	374
	PREVIEW	374
	Foreign Exchange Market	375
	What Are Foreign Exchange Rates?	375
	Why Are Exchange Rates Important?	375
	> FOLLOWING THE FINANCIAL NEWS Foreign Exchange Rates	376
	How Is Foreign Exchange Traded?	376



	> GLOBAL Dollarization	412
	> CASE The Foreign Exchange Crisis of September 1992	412
	> THE PRACTICING MANAGER Profiting from a Foreign Exchange Crisis	414
	> CASE How Did China Accumulate Over \$3 Trillion of International Reserves?	415
	Capital Controls	415
	Controls on Capital Outflows	415
	Controls on Capital Inflows	416
	The Role of the IMF	416
	Should the IMF Be an International Lender of Last Resort?	417
	SUMMARY	417
	KEY TERMS	418
	QUESTIONS	418
	QUANTITATIVE PROBLEMS	419
	WEB EXERCISE	419
PART SIX	THE FINANCIAL INSTITUTIONS INDUSTRY	
Chapter 17	Banking and the Management of	
	Financial Institutions	420
	PREVIEW	420
	The Bank Balance Sheet	421
	Liabilities	421
	Assets	423
	Basic Banking	424
	General Principles of Bank Management	427
	Liquidity Management and the Role of Reserves	427
	Asset Management	430
	Liability Management	431
	Capital Adequacy Management	432
	> THE PRACTICING MANAGER Strategies for Managing Bank Capital	434
$F_{cs}$	> CASE How a Capital Crunch Caused a Credit Crunch During the	
	Global Financial Crisis	435
	Off-Balance-Sheet Activities	435
	Loan Sales	436
	Generation of Fee Income	436
	Trading Activities and Risk Management Techniques	436
	CONFLICTS OF INTEREST Barings, Daiwa, Sumitomo, Société Générale, and JPMorgan Chase: Rogue Traders and the Principal–Agent Problem	437
	Measuring Bank Performance	438
	Bank's Income Statement	438
	Measures of Bank Performance	440
	Recent Trends in Bank Performance Measures	441
	SUMMARY	443
	KEY TERMS	444
	QUESTIONS	444
	QUANTITATIVE PROBLEMS	444

Avoidance of Existing Regulations

	MINI-CASE Bruce Bent and the Money Market Mutual Fund Panic of 2008	486
	> THE PRACTICING MANAGER Profiting from a New Financial Product:	
	A Case Study of Treasury Strips	486
	Financial Innovation and the Decline of Traditional Banking	488
	Structure of the U.S. Banking Industry	491
	Restrictions on Branching	492
	Response to Branching Restrictions	493
	Bank Consolidation and Nationwide Banking	494
	E-FINANCE Information Technology and Bank Consolidation	496
	The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994	496
	What Will the Structure of the U.S. Banking Industry Look Like in the Future?	497
	Are Bank Consolidation and Nationwide Banking Good Things?	497
	Separation of the Banking and Other Financial Service Industries	498
	Erosion of Glass-Steagall	498
	The Gramm-Leach-Bliley Financial Services Modernization Act of 1999: Repeal of Glass-Steagall	499
	Implications for Financial Consolidation	499
	MINI-CASE The Global Financial Crisis and the Demise of Large, Free-Standing Investment Banks	500
	Separation of Banking and Other Financial Services Industries Throughout the World	500
	Thrift Industry	501
	Savings and Loan Associations	501
	Mutual Savings Banks	501
	Credit Unions	502
	International Banking	502
	Eurodollar Market	503
	Structure of U.S. Banking Overseas	503
	Foreign Banks in the United States	504
	SUMMARY	505
	KEY TERMS	506
	QUESTIONS	506
Chapter 20	The Mutual Fund Industry	507
	PREVIEW	507
	The Growth of Mutual Funds	508
	The First Mutual Funds	508
	Benefits of Mutual Funds	508
	Ownership of Mutual Funds	509
	Mutual Fund Structure	511
	Open- Versus Closed-End Funds	511
	CASE Calculating a Mutual Fund's Net Asset Value	512
	Organizational Structure	513
	Investment Objective Classes	514
	Equity Funds	514
	Bond Funds	515
	Hybrid Funds	516
	Money Market Funds	516
	Index Funds	518

	Fee Structure of Investment Funds	519
	Regulation of Mutual Funds	520
	Hedge Funds	521
	> MINI-CASE The Long Term Capital Debacle	523
	Conflicts of Interest in the Mutual Fund Industry	523
	Sources of Conflicts of Interest	524
	Mutual Fund Abuses	524
	> CONFLICTS OF INTEREST Many Mutual Funds Are Caught Ignoring	
	Ethical Standards	525
	Government Response to Abuses	526
	> CONFLICTS OF INTEREST SEC Survey Reports Mutual Fund Abuses Widespread	526
	SUMMARY	527
	KEY TERMS	528
	QUESTIONS	528
	QUANTITATIVE PROBLEMS	528
	WEB EXERCISE	530
Chanter 21	Insurance Companies and Pension Funds	531
Chapter 21		
	PREVIEW	531
	Insurance Companies	532
	Fundamentals of Insurance	532 533
	Adverse Selection and Moral Hazard in Insurance	534
	Selling Insurance  MINI-CASE Insurance Agent: The Customer's Ally	534
	Growth and Organization of Insurance Companies	535
	Types of Insurance	535
	Life Insurance	536
	Health Insurance	540
	> MINI-CASE Updates to the Affordable Care Act	541
	Property and Casualty Insurance	542
	MINI-CASE Will Liability Issues Be a Roadblock to Driverless Cars?	543
	Insurance Regulation	544
	> THE PRACTICING MANAGER Insurance Management	544
	Screening	545
	Risk-Based Premium	545
	Restrictive Provisions	546
	Prevention of Fraud	546
	Cancellation of Insurance	546
	Deductibles	546
	Coinsurance	546
	Limits on the Amount of Insurance	547
	Summary	547
	Credit Default Swaps	547
	> CONFLICTS OF INTEREST The AIG Blowup	548
	Pensions	549
	CONFLICTS OF INTEREST The Subprime Financial Crisis and the Monoline Insurers	549

	Types of Pensions	550
	Defined-Benefit Pension Plans	550
	Defined-Contribution Pension Plans	550
	Private and Public Pension Plans	551
	> MINI-CASE Power to the Pensions	552
	Regulation of Pension Plans	555
	Employee Retirement Income Security Act	555
	Individual Retirement Plans	557
	The Future of Pension Funds	558
	SUMMARY	558
	KEY TERMS	558
	QUESTIONS	559
	QUANTITATIVE PROBLEMS	559
Chapter 22	Investment Banks, Security Brokers and	
	Dealers, and Venture Capital Firms	561
	PREVIEW	561
	Investment Banks	562
	Background	562
	Underwriting Stocks and Bonds	563
	Equity Sales	567
	Mergers and Acquisitions	568
	> MINI-CASE Twitter Uses Poison Pills to Drive Hard Bargain with Musk	569
	Securities Brokers and Dealers	570
	Brokerage Services	570
	> MINI-CASE Example of Using the Limit-Order Book	571
	Securities Dealers	573
	Regulation of Securities Firms	573
	Relationship Between Securities Firms and Commercial Banks	575
	Private Equity Investment	575
	Venture Capital Firms	575
	Private Equity Buyouts	579
	Advantages to Private Equity Buyouts	579
	Life Cycle of the Private Equity Buyout	580
	SUMMARY	580
	KEY TERMS	581
	QUESTIONS	581
	QUANTITATIVE PROBLEMS	582
PART SEVEN	THE MANAGEMENT OF FINANCIAL INSTITUTIONS	
Chapter 23	Risk Management in Financial Institutions	584
	PREVIEW	584
	Managing Credit Risk	585
	Screening and Monitoring	585
	Long-Term Customer Relationships	586

Interest-Rate Swaps	627
Interest-Rate Swap Contracts	627
> THE PRACTICING MANAGER Hedging with Interest-Rate Swaps	628
Advantages of Interest-Rate Swaps	629
Disadvantages of Interest-Rate Swaps	629
Financial Intermediaries in Interest-Rate Swaps	630
Credit Derivatives	630
Credit Options	630
Credit Swaps	631
Credit-Linked Notes	632
> CASE Lessons from the Global Financial Crisis: When Are Financial	
Derivatives Likely to Be a Worldwide Time Bomb?	632
SUMMARY	633
KEY TERMS	634
QUESTIONS	634
QUANTITATIVE PROBLEMS	635
WEB EXERCISE	637
WEB APPENDIX	637
Glossary	G-1
Index	1-1
Guide to Commonly Used Symbols	S-1