NATIONAL UNIVERSITY OF SINGAPORE
Department of Finance

FIN3103A/FIN3703A: Financial Markets
(Semester I, 2020/2021)
This version: 16th July 2020

Course information

Section A1: Saturday 8:30am to 11:30am, BIZ2-0510
Section A2: Saturday 12pm to 3pm, BIZ2-0510

Instructor information

Instructor: Tianyue RUAN
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Consultation: appointment through the "Consultation" tool on LumiNUS. All consultations would be held via Zoom.

Course Objectives

This course is designed to give students a general understanding of the different financial markets and institutions. We will also discuss the financial assets traded in these markets, the financial services and instruments these institutions offer, and the mechanisms and characteristics influencing the value of these assets and instruments. Some of these details can be country specific. For the topics whose cross-country differences are important, we will combine a generic description that apply internationally with context-specific discussions focused on Singapore, the U.S., and China.

By the end of the module, students should be able to:
- Distinguish different financial institutions and their roles and activities
- Identify the key features of the main financial markets and the financial assets traded in these markets
- Perform quantitative analysis on valuation, trading strategies, and risk management for the major classes of financial assets
- Demonstrate a sense of appreciation of the limitations and challenges a financial analyst faces when s/he applies the theoretical framework of finance to real world problems
- Critically evaluate the financial regulatory frameworks and construct cogent arguments on the on-going policy debates
- Search, filter, and analyze information on current issues and developments in financial markets

Prerequisites

FIN2004/FIN2704/FIN2004X/FIN2704X Finance

Textbook and Slides

Copies of the presentation slides used in class will be posted on LumiNUS. The slides will be PDF files. You will need a PDF reader such as Adobe Acrobat Reader to view and print them. Adobe Acrobat Reader is free software and may be downloaded from http://www.adobe.com/sea/.

The lecture slides are self-contained. Thus, no textbook is required. For those of you who wish to use a textbook in addition to the slides, I recommend that you use "Financial Institutions and Markets: with a Singapore Perspective" by YEO Wee Yong (2019, 1st edition, Pearson, ISBN: 9789813135963). You can also use "Financial Markets and Institutions" by Frederic S. MISHKIN and Stanley G. EAKINS (2018, 9th edition, Pearson, or earlier editions). The relevant chapters for each of the lecture topics are indicated below.

Topic	Chapters in Yeo (2019)	Chapters in Mishkin & Eakins (2018)
Introduction	1	1, 2
Financial Institutions	2	7-8, 20-22
Banks and Risk Management	3	9, 17-19, 23
Interest Rates and the Debt Market	4	3-5, 11-12
The Equity Market	5	13
The Foreign Exchange Market	6	15-16
The Derivatives Market	7	24

Class Arrangement

The arrangement is subject to change depending on factors such as changes to COVID-19 restrictions, class size, and the number of students unable to attend the normal classes due to COVID-19 restrictions. Nevertheless, classes will, unless otherwise advised, be delivered in a normal face-to-face (F2F) classroom setting. Students who are not able to join the F2F class due to "Stay Home Notice", being in quarantine, and the likes, will join the class via Zoom instead. Students joining via Zoom have to ensure that the devices used for the Zoom have functioning video (webcam) capabilities and the video (webcam) be turned on at all time. The Zoom recordings will also be made available on LumiNUS after class.

Two remarks on potential class schedule change:
- The recess week starts on Saturday, September 19th, according to the NUS academic calendar. If the Board of Undergraduate Studies grants an exemption to allow for class teaching to proceed on this date, we will have the class as usual. Otherwise, we will have a make-up class in the form of pre-recorded lecture video.
- There will not be no lecture on November 14th. An optional lecture may be given.

Students are responsible for all missed work, regardless of the reason for absence. It is also the absentee's responsibility to get all missing notes or materials.

Assessment

This is a 100% continuous-assessment (CA) course. The composition of CA components is listed below. Students who miss any CA component will receive a zero mark for that component. Exceptions will only be granted according to NUS policies and will require formal verification of the reason for absence by the BBA Office. In such exceptional cases,

a substitute form of assessment may be given.

- Class participation, 10%
- Weekly individual tasks, 20%
- "Financial Markets in Practice" group assignments, 10%
- Term project, 30%
- Term test, 30%

Class participation: Students are expected to participate actively during classes. Marks will be awarded not based on quantity but how much one contributes to the learning of the class.

Weekly individual tasks: These weekly individual tasks, in the form of either a LumiNUS quiz or a short individual assignment, are designed to engage student. They will be assigned after each week's class and due in a week. All weekly individual tasks carry the same weight.

"Financial Markets in Practice" group assignments: These short group assignments require the collection and analysis of financial data. They will be assigned after the relevant lectures and due in two weeks. All "Financial Markets in Practice" assignments carry the same weight.

Term project: The term projects will be in the form of Student Teaching Assignments. The objective of the project is to allow students to research into issues and questions related to the topics covered in the course and to share the knowledge they have acquired with the rest of the class. The project consists of a written report and a presentation with Q&As. More details of the term project, including topics, grouping, presentation format, and assessment criteria will be announced in class.

Term test: There will be one test held in the scheduled class time in the 12th week, that is, morning on 7th November (Saturday) for Section A1 and noon time on 7th November (Saturday) for Section A2. Students are to make sure that they are available to sit for the test. The test is tentatively planned to be an open book and open notes test conducted via ExamSoft/Examplify. Communication between students, as well as an internet connection, will be disallowed. Details will be announced later in the semester.

Stay up-to-date

Students are encouraged to follow financial and economic news covered in the Financial Times, the Wall Street Journal, the Economist, or the Business section of the Straits Times.

Special note on ACADEMIC HONESTY & PLAGIARISM from the BBA Office

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. **In case of any doubts,**

you should consult your instructor.

Additional guidance is available at:
http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct

Online Module on Plagiarism:
http://emodule.nus.edu.sg/ac/