

## NATIONAL UNIVERSITY OF SINGAPORE

Department of Finance

### FIN3103B/FIN3703B: Financial Markets

(Semester II, AY2020/2021)

Instructor: Dr YUE Ling

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*Email is the best way to contact me. Any personal or administrative-related questions/requests should be sent by email and will be answered shortly. However, for questions directly related to the course materials, I strongly suggest you to post them on LumiNUS Forum. Those questions will not be answered via email but be directed to LumiNUS Forum. (Please put the course number [FIN3703] in the email subject.)*

#### Consultation Hours

By appointment only. Please check the available appointment slots on LumiNUS Consultation.

#### Class Arrangement

The class will be arranged according to the policies and arrangements of NUS and NUS Business School.

#### Course Objectives

The objective of this course is to give students a general understanding of the different financial markets and institutions in the context of both the U.S. and Singapore. 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 will also be discussed.

**Prerequisites:** Finance (FIN2004/FIN2704/FIN2004X/FIN2704X)

#### Textbook

- *Recommended:* YEO, Wee Yong (2019), "Financial Institutions and Markets: with a Singapore Perspective" 1<sup>st</sup> edition, Pearson Education.
- *Supplementary:* MISHKIN, Frederic S. and Stanley G. EAKINS (2018), "Financial Markets and Institutions" 9<sup>th</sup> edition, Pearson Education.

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

**Assessment: This is a 100% continuous-assessment (CA) course**  
*(Subject to change if the pandemic situation changes)*

Class Participation	15
Term Test I	30
Term Test II	20
Group Project	30
Project Critique	5
<b>Total</b>	<b>100</b>

### 1) 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. Contributions on LumiNUS Forum will also be rewarded with participation marks.

### 2) Term Test 1

**Date: Week 7 (March 6, Saturday)**

This term test will be a 90-minute test. Students are to make sure that they are available to sit for the test.

### 3) Term Test 2

**Date: Week 13 (During class time)**

This term test will be a 60-minute test. Students are to make sure that they are available to sit for the test.

### 4) Group Project

This project is group based. The objective of the project is to allow students to research into issues and questions related to the topics covered in the module and to share the knowledge they have acquired with the rest of the class. The project consists of a written report and a presentation.

### 5) Project Critique

This critique is group based. Each project group will be assigned to critique the written reports of another two groups. The identity of the group doing the critique will not be made known to encourage more candid comments.

### Points to Note

- Class Attendance:** Students must not miss more than 2 classes (not including absence due to medical (accompanied by medical certificates) or compassionate reasons). **Violators will be heavily penalized.**
- CA Attendance:** Students who **miss a CA component** will receive **zero marks** for that particular 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.

### 3. **Submission Policy:**

- a. All pre-scheduled CA components must be submitted by the relevant due date. **Late submission will be penalized by 20 percent per day, additive** (rather than multiplicative. E.g., 2 days late = 40% total penalty, not 36%).
- b. Any written report must be submitted as a single file. If multiple files are submitted, only the latest file will be graded.
4. 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.
5. Students are encouraged to always feedback to the instructor comments and suggestions that may help the class to learn better.
6. Students are to check the LumiNUS weekly for announcements.
7. Forum in LumiNUS is exclusively for students' discussions in topics pertaining to finance.
8. Please use NUS email for email communications.
9. Financial calculators may be needed in the course.

### **Academic Honesty & Plagiarism**

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://nus.edu.sg/osa/resources/code-of-student-conduct>

Online Module on Plagiarism: <http://emodule.nus.edu.sg/ac/launch.htm>.

### Lesson Schedule (Tentative)

Week	Week Starting	Topic and Activity	Chapters
1	Jan 10	Introduction and Financial Institutions I	1 and 2
2	Jan 17	Introduction and Financial Institutions I	1 and 2
3	Jan 24	Financial Institutions II: Banks	3
4	Jan 31	Financial Institutions II: Banks	3
5	Feb 7	Interest Rates and the Debt Market	4
6	Feb 14	Interest Rates and the Debt Market The Equity Market	4 and 5
	Feb 21	<b>Term Break</b>	
7	Feb 28	The Equity Market	5
	<b>Mar 6 (Saturday)</b>	<b>Term Test I</b>	
8	Mar 7	The Forex Market	6
9	Mar 14	The Forex Market <i>Project Report is due</i>	6
10	Mar 21	The Derivatives Market <i>Project Critique is due</i>	7
11	Mar 28	<i>Project Presentations 1, 2, 3, 4</i>	
12	Apr 4	<i>Project Presentations 5, 6, 7, 8</i>	
13	Apr 11	<b>Term Test II (in class)</b>	