

NATIONAL UNIVERSITY OF SINGAPORE

Department of Finance

FIN3103A/FIN3703A: Financial Markets

(Semester I, AY 2021/2022)

Updated on June 2, 2021

Course information

Section A1: Monday 12pm to 3pm, the Beacon room at SFAH

Section A2: Monday 3pm to 6pm, the Beacon room at SFAH

Section A3: Tuesday 12pm to 3pm, the Beacon room at SFAH

The venue for all sections is located in level 2 of Shaw Foundation Alumni House (SFAH), the building next to BIZ1. For details, please refer to the map for SFAH on page 5.

Instructor information

Instructor: Tianyue RUAN

Getting in touch: Consultations are appointment-based through the “Consultation” tool on LumiNUS. Questions on lecture materials and assignments should be posted on the “Q&A” Forum on LumiNUS. These queries/questions, if sent via email, will not be answered but just directed to LumiNUS. Any other personal or administrative-related questions/requests should be sent to the email address tianyue.ryan@nus.edu.sg with the course number in the subject, and will be answered during working hours within two school days.

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 class will be arranged according to the policies and arrangements of NUS and NUS Business School. Further details on the delivery method will be announced later.

Monday, August 9, is the National Day. To ensure the same pace for all sections, there is no class for all three sections in the first week. There will be a make-up class in the form of a pre-recorded lecture video, to be uploaded to LumiNUS.

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.

- Test 1, 30%
- Test 2, 25%
- Weekly individual tasks, 12%

- Group project, 23%
- Class participation, 10%

Tests: There are two tests in this module. Both tests are tentatively planned to be electronic tests conducted via ExamSoft/Examplify. Students are to make sure that they are available to sit for both tests. In principle, there is no make-up test for both Test 1 and Test 2. 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, I will arrange for a make-up test.

- Test 1 is scheduled in Week 6. The day, time, and venue of Test 1 will be announced in class.
- Test 2 is scheduled in Week 11. The day, time, and venue of Test 2 will be announced in class.

Additional details about the tests will be announced later in the semester.

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.

Group project: 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 requires collection and analysis of financial data. More details of the term project, including topics, grouping, report, presentation format, and assessment criteria will be announced in class.

Late submission policy: Weekly individual tasks and group project deliverables must be submitted by the relevant due dates. Late submission will be penalized by 20 percent per day (additive rather than multiplicative, e.g., 2 days late = 40% total penalty, not 36%).

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

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. NUS' Factiva subscription provides access to paywalled articles in many newspapers (<https://libportal.nus.edu.sg/frontend/enewspaper-viewall>).

Communication

For consultation scheduling, we will use the "Consultation" tool on LumiNUS to streamline the process.

We will use the forum on LumiNUS for class discussion. Rather than emailing questions to me, I encourage you to post your questions on the "Q&A" Forum on LumiNUS so that you can get help fast and efficiently from your classmates and me.

Queries/questions related to consultations, lecture materials, or assignments, if sent via email, will not be answered but directed to LumiNUS. Any other personal or administrative-related

questions/requests should be sent to the email address tianyue.ruan@nus.edu.sg with the course number in the subject. I answer queries/questions during normal working hours, i.e., 9am to 5pm from Monday to Friday, excluding school breaks and public holidays, within two school days.

Students are encouraged to always provide feedback that may help the class to learn better. Students are expected to check LumiNUS weekly for announcements.

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/>

Map for SFAH



 Public Buses  NUS Shuttle Buses

By Car:
Via Heng Mui Keng Terrace (Entrance C)
Nearest parking is located at Carpark 15

By Bus:
Public Buses 10, 30, 51, 143, 183, 188, 200
alight at Pasir Panjang Road
Shuttle Buses A1, A2, B2, D1