

NATIONAL UNIVERSITY OF SINGAPORE
Department of FinanceFIN3703A: Financial Markets
(Semester 2, AY 2021/2022)Tentative, updated on 20 November 2023**Course information**

Section A1: Tuesday 8:30am to 11:30am, BIZ2 05-09

Section A2: Tuesday 3pm to 6pm, BIZ2 05-09

Section A3: Wednesday 8:30am to 11:30am, BIZ1 03-01

Instructor: Dr. Tianyue RUAN

Office: BIZ1 07-72 (consultations are by appointment only, details to be announced in class)

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 course, 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 Canvas. 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

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 course. 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 on 9 March 2024 (Saturday of Week 6) with exact time and venue to be confirmed. Students from all three sections will take Test 1 at the same time.
- Test 2 is scheduled on 13 April 2024 (Saturday of Week 12) with exact time and venue to be confirmed. Students from all three sections will take Test 2 at the same time.

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

Weekly individual tasks: These weekly individual tasks, in the form of either a Canvas 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 may require collection and analysis of financial data. More details of the 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 Canvas Discussions. 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 (accessible via searching "Factiva" in the NUS databases search link <https://nus.edu.sg/nuslibraries/databases-search>).

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 Course on Plagiarism:

<http://ecourse.nus.edu.sg/ac/>