

**FIN4722 Advanced Household Finance**  
**Semester 1, AY2024-2025**

**Course information**

All classes are conducted strictly onsite and in-person following the NUS policy. There will be no concurrent online classes or recording of in-person classes. The time and venue are:

Friday 8:30am to 11:30am, BIZ1 03-02

**Professor:** Prof. Yi FAN  
**Office:** 07-39  
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**Office Hours:** By appointment

Extra office hours will be available before each of the two tests.

**Course Overview**

This module will be structured around the theme of household financial decision making. Specifically, Household Finance studies (1) how households make financial decisions relating to the functions of consumption, payment, risk management, borrowing and investing; (2) how institutions provide goods and services to satisfy these financial functions of households; and (3) how interventions by firms, governments and other parties affect the provision of financial services. This functional definition shows that household finance is clearly a substantial component of the financial sector. These different functions show that the scope of household finance spans multi disciplines, embracing not just finance and economics but also industrial organization (eg. automatic enrolment in workplace savings plan), law (eg. regulations of retail financial transactions), psychology (eg. decisions affected by framing and cognitive biases), and sociology (eg. decisions shaped by social networks).

This course is divided into ten sections comprising (1) Introduction, and the seven functions of (2) Consumption, (3) Saving, (4) Household Portfolio, (5) Investment, (6) Housing, (7) Mortgage, (8) Borrowing, (9) Payment, as well as a concluding chapter on (10) Financial Inclusion and Financial Technology.

**Learning Outcomes**

A better understanding of household finance can help to improve saving and spending behavior through better financial products and regulations, as well as help avoid problems such as inadequate retirement planning, excess leverage and poorly designed products. The approach of reviewing the field of household finance, as opposed to a product or institutional approach, allows us to have a household-oriented focus. For example, households who want to consume, pay, manage risk, borrow, and save/invest will likely look across a variety of products, formal institutions and informal networks.

**Lecture Notes**

In order to reduce your note taking, lecture notes on the book chapters will be available before class.

### Required Reading Material:

1. [Household Finance: A Functional Approach](#), (Sumit Agarwal, Wenlan Qian, and Ruth Tan), Palgrave Publishing, 2020

### Optional Reading Materials:

2. [Kiasunomics2](#), (Sumit Agarwal, Swee Hoon Ang, and Tien Foo Sing), World Scientific Publishing, 2020
3. [Kiasunomics3](#), (Sumit Agarwal, Swee Hoon Ang, and Tien Foo Sing), World Scientific Publishing, 2024

### Final Grade Computation:

Participation	20 pts
Test 1	20 pts
Test 2	20 pts
Assignments	10 pts
<u>Group Project</u>	<u>30 pts</u>
TOTAL	100 pts

Week 1 (16 Aug)	Overview of Household Finance
Week 2 (23 Aug)	Consumption
Week 3 (30 Aug)	Savings
Week 4 (6 Sep)	Household Portfolio
Week 5 (13 Sep)	Investment
Week 6 (20 Sep)	Housing
Week 7 (4 Oct)	Test 1
Week 8 (11 Oct)	Mortgage
Week 9 (18 Oct)	Borrowing
Week 10 (25 Oct)	Payment, financial inclusion and financial technology
Week 11 (1 Nov)	<b>No class on NUS Well-Being Day</b>
Week 12 (8 Nov)	Test 2
Week 13 (15 Nov)	Project Presentations

The syllabus is subject to change.

## **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://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

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