

NATIONAL UNIVERSITY OF SINGAPORE
Department of Finance

FIN3703A: Financial Markets
(Semester 2, AY 2024/2025)
Updated on 5 December 2024

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 for each section can be retrieved from NUSMODS

(<https://nusmods.com/courses/FIN3703A/financial-markets>) and is also listed below:

- Section A1: Tuesday 8:30am to 11:30am, BIZ2 05-09
- Section A2: Tuesday 3pm to 6pm, HSS 3-2
- Section A3: Wednesday 8:30am to 11:30am, HSS 4-2

Instructor: Dr. Tianyue RUAN

Office: BIZ1 07-72 (consultations are by appointment via Canvas Calendar only)

Teaching Assistant (TA): see Canvas for details. For any admin or personal questions/requests (e.g., sending approved short-term LOAs, medical leave, etc), please send a message in Canvas to the TA in charge of your section.

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 analyse information on current issues and developments in financial markets

Prerequisites

FIN2004/FIN2704/FIN2004X/FIN2704X Finance

Textbook and Slides

The PDF copies of the lecture slides will be posted on Canvas at least one day before the class. You will need a PDF reader such as Adobe Acrobat Reader to view them. Adobe Acrobat Reader is free software and may be downloaded from <http://www.adobe.com/sea/>. The lecture slides are designed to contain blank fields and questions that we fill in together in class. Students are responsible to take notes for these in-class questions. Lecture slides with the answers filled will not be provided.

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 for paper book and ISBN: 9789813351141 for e-book). 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 approval and 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, 16%
- Group project, 19%
- Class participation, 10%

Tests: There are two tests in this course. Both tests are onsite electronic tests conducted via Exemplify. It is the students’ responsibility to familiarise themselves with how to take

assessments in Exemplify. If you are new to NUS or wish to re-familiarise yourselves with Exemplify, you should consult with the Digital Assessment Student Guide (https://nus.atlassian.net/wiki/spaces/DAsstudent/overview?atl_f=PAGETREE). Students are also expected 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, the instructor will arrange for an onsite make-up test upon verification of the reason for absence.

- Test 1 is scheduled on 8 March 2024 (Saturday of Week 7). Students from all three sections will take the test at the same time. The exact time and venue of Test 1 will be announced in class.
- Test 2 is scheduled on 12 April 2024 (Saturday of Week 12). Students from all three sections will take the test at the same time. The exact time and venue of Test 1 will be announced in class.
- There will be no online tests following the NUS policy.
- 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. Class participation is assessed holistically. Students can participate in a variety of ways, all of which will be considered in assessing the class participation:

1. Attend the onsite and in-person classes.
2. Participate in the discussion (asking and answering questions) in class.
3. Participate in the discussion (asking and answering questions) on the Canvas Discussions.
4. Participate in the polls and surveys on Poll Everywhere (in-class) and Canvas (after-class).

Communication

For consultation scheduling, we will use the “Calendar” tool on Canvas to streamline the process.

We will use the Discussions on Canvas for class discussion. Rather than emailing questions

to the instructor, you are to post your questions on the Canvas Discussions so that you can get help fast and efficiently from your classmates and the instructor. Queries/questions related to consultations, lecture materials, or assignments, if sent to the instructor via email, will not be answered but directed to Canvas.

Any other personal or administrative-related questions/requests should be sent to the TA via Canvas message. The contact info of the TA can be found in the Canvas system.

All queries/questions are answered during normal working hours, i.e., 9am to 5pm from Monday to Friday, typically within two school days, excluding school breaks (e.g., weekends, the recess week, NUS well-being day) and public holidays.

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

Stay up-to-date

Students are encouraged to follow business, economic, and financial 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 in the NUS Code of Students' Conduct (<https://studentconduct.nus.edu.sg/wp-content/uploads/NUS-Code-of-Student-Conduct.pdf>) and NUS Plagiarism Policy (<https://myportal.nus.edu.sg/studentportal/student-discipline/all/docs/NUS-Plagiarism-Policy.pdf>).

Plagiarism Prevention Resources:
<https://nus.atlassian.net/wiki/x/wBcrAg>