National University of Singapore

FIN3703A: Financial Markets

Course Outline (AY2026/2027 Semester 1, tentative)

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Department:	Finance		

Class Arrangement

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

Course Description

This course seeks to give students a general understanding of the different financial markets and institutions in the context of both the U.S. and Singapore. 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. We provide an assessment of the structure and efficiency of these markets and introduce the applications and implications of digitalisation and artificial intelligence (AI) on financial markets and institutions.

Learning Outcomes

At the end of the course students should be able to:

- Explain the roles and functions of major financial markets and institutions in the context of mainly the U.S. and Singapore.
- Understand the characteristics and uses of major financial assets and instruments.
- Analyse how financial institutions manage risks associated with lending, trading, liquidity, and market operations.
- Discuss the regulatory, ethical, and systemic implications of deploying AI in financial markets, financial intermediation, and trading activities

Prerequisites

Finance (FIN2004/FIN2704/FIN2004X/FIN2704X)

Textbook

- *Recommended:* YEO, Wee Yong (2019), Financial Institutions and Markets: with a Singapore Perspective, 1st edition, Pearson Education.
    - Link for e-Book: https://shopee.sg/product/849371650/23276183412
    - Online access via NUS Libraries: https://linc.nus.edu.sg/record=b4701158
- *Supplementary:* MISHKIN, Frederic S. and Stanley G. EAKINS (2018), Financial Markets and Institutions, 9th edition, Pearson Education.

Stay up-to-date

Students are encouraged to follow financial and economic news covered in *Financial Times*, *Wall Street Journal*, *The Economist*, or the Business section of the *Straits Times*. NUS Libraries online portal provides access to paywalled articles in many newspapers (link).

Assessment: This is a 100% continuous-assessment (CA) course
(subject to change)

Class Participation	12
Term Test 1	30
Term Test 2	20
Individual Tasks	10
Group Tasks	28
Total	**100**

1) Class Participation
Students are expected to participate actively during classes. Marks will be awarded not based on quantity but on how much one contributes to the learning of the class. Contributions on Canvas Discussions will also be rewarded with participation marks.

2) Term Test 1
Date: Week 7 (Saturday, 3 Oct 2026, TBC)
This term test will cover topics taught up to Week 7. The test may include MCQs, fill-in-the-blank questions, short-answer questions, and other formats. *Students are to ensure they are available to sit for the test before enrolling in the course.*

3) Term Test 2
Date: Week 12 (Saturday, 7 Nov 2026, TBC)
This term test will cover topics taught after Test 1. The test may include MCQs, fill-in-the-blank questions, short-answer questions, and other formats. *Students are to ensure they are available to sit for the test before enrolling in the course.*

4) Individual Tasks
Weekly individual tasks, consisting of either a Canvas quiz or a short assignment, are designed to help students engage with and better understand the concepts covered in class. These tasks will be assigned after each week's class.

5) Group Tasks
Group tasks are structured to foster critical thinking, peer learning, and teamwork. These activities include mini-tasks and a group project. The format of mini-tasks may vary from semester to semester and can include case discussions, news sharing, or other interactive formats. Details will be provided during the course. The group project requires students to research course-related topics and present their findings to the class through formats such as presentations, infographic posters, or other creative approaches. Where appropriate, some project topics may require students to research and present AI applications in financial markets and institutions, with consideration of their limitations, associated risks and safeguards, and broader regulatory, ethical, and systemic implications. These activities are designed to deepen students' understanding of financial concepts, strengthen their problem-solving skills, and enhance their ability to communicate financial information effectively. Students will work in a group of 6-8 students. Individual performance may also be assessed through presentations, Q&A, peer evaluations, and related activities.

TOPICS[1] **(subject to change)**

Session	Description
1	Introduction
2	Financial Institutions
3	Banks (I)
4	Banks (II)
5	Interest Rates & Debt Market (I)
6	Interest Rates & Debt Market (II)
Recess Week	
7	*Test 1*
8	Equity Market (I)
9	Equity Market (II)
10	Forex Market
11	Forex Market / Derivatives Market
12	*Test 2*
13	Derivatives Market

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:
https://nus.edu.sg/campusconduct/

[1] AI-related discussions will be integrated into relevant topics throughout the course rather than presented as a standalone topic. For example, where appropriate, the course may consider applications of AI in financial institutions and markets, such as robo-advisory services, AI-enabled compliance and fraud detection, and algorithmic or AI-driven trading systems. The course will also introduce the capabilities and limitations of relevant AI techniques, together with associated risks, safeguards, and regulatory, ethical, and systemic considerations. Examples and discussions will be updated as AI technologies and the regulatory landscape evolve.

Statements and E-Resources on Plagiarism: https://www.nus.edu.sg/celc/statements-and-e-resources-on-plagiarism/
Academic Integrity Essentials: https://libguides.nus.edu.sg/new2nus/acadintegrity