



## Syllabus

<b>Course No.</b>	1900569W	<b>College</b>	Economics and Management School	<b>Dept.</b>	Economics
<b>Teacher</b>	Li Jie				
<b>Time</b>	2022.06.28—2022.07.15				
<b>Course Name</b>	<b>English</b>	Financial Markets			
	<b>Chinese</b>	金融市场			
<b>Course credit hours</b>	<b>Total</b>	<b>Theory</b>	<b>Case study and problem solving sessions</b>	<b>Credits</b>	
	70	60	10	12.0	
<b>Course description :</b> <p>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 Australia, the U.S., and China.</p> <p>Outcomes:</p> <ul style="list-style-type: none"><li>• Distinguish different financial institutions and their roles and activities</li><li>• Identify the key features of the main financial markets and the financial assets traded in these markets</li><li>• Perform quantitative analysis on valuation, trading strategies, and risk management for the major classes of financial assets</li><li>• Demonstrate a sense of appreciation of the limitations and challenges a financial analyst faces when he applies the theoretical framework of finance to real world problems</li><li>• Critically evaluate the financial regulatory frameworks and construct cogent arguments on the on-going policy debates</li><li>• Search, filter, and analyze information on current issues and developments in financial markets</li></ul>					
<b>Requirements for courses; ability and knowledge in advance</b>					
No formal requirements, however accounting and financial math knowledge would be useful.					

**Course structure explanation:**

Make clear the necessary parts, optional parts, distribution of hours. Courses with experiments or practice are expected to explain credit hours needed, content, scheme and functions.

**PART 1: INTRODUCTION TO THE FINANCIAL SYSTEM**

## Chapter 1: Overview of the Financial System

- Function of Financial Markets and financial intermediaries
- Financial Market instruments
- Understanding financial markets through the Financial Crisis
- An overview of Financial Risks

## Chapter 2: Central Banking and the monetary policy

- Central Banks: origins, structures and functions
- The European Central Bank (ECB) and the Monetary policy
- The creation of money: What is money?
- Supply and demand: monetary base

## Chapter 3: The Money Markets

- Concepts and classes
- Understanding interest rates
- The yield curve (risk and term structure)
- Interbank market
- Commercial paper and repos

**PART 2: BANKING INDUSTRY AND NONBANKING FINANCIAL INSTITUTIONS**

## Chapter 4: Depository Institutions: Banks

- Banking industry: structure and regulation
- Banking products and regulation: Basel's agreements
- Other financial institutions

**PART 3: MARKETABLE SECURITIES AND FINANCIAL MARKETS**

## Chapter 5: Financial markets

- Types of markets and Regulation
- Equity securities; Debt securities; Forex and Derivatives

## Chapter 6: Fixed income markets- The bond market

- Market structure
- Relationship between interest rates and Bond prices
- Valuating bonds. Interest Risk vs Cash flow risk
- Bond markets in the real world. Understanding the newspaper information

## Chapter 7: The Stock Market

Concepts, market structure, participants and products

## Chapter 8: The Foreign Exchange Market

- Forex Exchange rates (spot & Forward)
- Theory of Purchasing Power Parity
- Arbitrage

Chapter 9: The Derivatives Markets

- Futures & Options
- Derivatives markets (MEFF)
- Hedging vs speculating with derivatives

**Teaching methods (Lectures, practice, etc)**

This course requires the students attend the class sessions. There are regular teaching sessions, case study discussions and practical problems and questions. Active student participation is important. They are expected to read the assigned materials prior to the class, in addition to preparing the problems and case studies when appropriate.

**Forms of evaluation and requirements**

**Structure of the final grade(including presence, class performance, ), focus of exam, forms of exam(test, interview, final report, etc)**

Presentation and performance 10%  
 Assignments 40% (10% each)  
 Final 50%

	<b>Name</b>	<b>Publisher</b>	<b>Author</b>	<b>Year</b>	<b>Price</b>
<b>Textbook</b>	Economics of Money, Banking and Financial Markets (What's New in Economics)		Mishkin, Frederic S	2014	
<b>References</b>					
<b>Additional readings will be provided through your student center</b>					