



南京航空航天大学

Nanjing University of Aeronautics and Astronautics

Syllabus

Course No.	1900569W	College	Economics and Management School	Dept.	Economics
Teacher	Li Jie				
Time	2022.06.28—2022.07.15				
Course Name	English	Financial Markets			
	Chinese	金融市场			
Course credit hours	Total	Theory	Case study and problem solving sessions	Credits	
	70	60	10	12.0	
Course description : 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. Outcomes: <ul style="list-style-type: none">• 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 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					
Requirements for courses; ability and knowledge in advance					
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: Depositary 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

<ul style="list-style-type: none"> ● Forex Exchange rates (spot & Forward) ● Theory of Purchasing Power Parity ● Arbitrage <p>Chapter 9: The Derivatives Markets</p> <ul style="list-style-type: none"> ● Futures & Options ● Derivatives markets (MEFF) ● Hedging vs speculating with derivatives 					
Teaching methods (Lectures, practice, etc)					
<p>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.</p>					
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)					
<p>Presentation and performance 10%</p> <p>Assignments 40% (10% each)</p> <p>Final 50%</p>					
Textbook	Name	Publisher	Author	Year	Price
	Economics of Money, Banking and Financial Markets (What's New in Economics)		Mishkin, Frederic S	2014	
References	Name	Publisher	Author	Year	Price
Additional readings will be provided through your student center					