



北京大學
汇丰商学院

Peking University HSBC Business School

FIN540 Financial Markets 2017-2018

Course Information

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Office Hour: Monday & Thursday 7:00pm-9:00pm, PHBS Building, Room 213

Classes:

Lectures: Monday & Thursday 10:30am-12:00pm (section 1); 3:30pm-5:00pm (section 2)

Venue: PHBS Building, Room 231

Note: Classes on Dec.18 will be moved to Dec.20 and on Jan.1, 2018 will be moved to Jan.3

Course Website:

<http://cms.phbs.pku.edu.cn/index.php>

FIN540 - Financial Market

Please make sure to enrol to the website online ASAP in order to access to course materials.
The enrolment key: FinancialMarket_2017_fall

Lecture notes will be posted the night before the class. You are supposed to download and bring your own copy.

1. Course Description

1.1 Context

Course overview:

The goal of this course is to provide an introduction into the workings of financial markets. The course will discuss the basic role of financial markets, the types of financial assets and how they are traded.

Prerequisites: no

1.2 Textbooks and Reading Materials

Textbooks

The main textbook for the course is ["Investments" by Zvi Bodie, Alex Kane and Alan J. Marcus, McGraw-Hill/Irwin](#), 9th edition (2010), ISBN 978-0073530703. This book is an excellent source of how modern financial markets work and explains the basic tools that financial economists use to analyse them. A large majority of the materials covered are also included in the 8th edition (2008), 7th edition (2006) or 6th edition (2004) of the book, which are more affordable.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Yes
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes
	3.2. Our students will practice ethics in the duration of the program.	Yes
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

2.2 Course specific objectives

2.3 Assessment/Grading Details

30 points: Class project

~Material preparation 10 points

~Presentation 10 points

~ Reports 10 points

60 points: Final exam

10 points: Class participation

Grades are curved, the letter grades are given roughly by the following rule:

A: the top 30% of the class

B: above the lower 10% of the class

F: fail to participate in the group project or total final numerical score is less than 70

There will be no opportunities for extra credit. Class participating count is done by random calls in class. Each time of missing a call costs 5 participating points. Personal reasons, other school business, or family emergency will not be considered as excuses for missing class. For illness, you need to provide doctor's prescription. I will only consider to update marginal cases where a student's letter score is F. In this case, the student must have full class participation score, and none zero project score, and his/her final score should be at least 65. The upgrade is automatically applied, so no need to talk to me asking for it, no other upgrade will be considered in this class. There is little that can be done after an unsatisfactory grade has been assigned.

Project:

One of the main goals of our class is to promote self-learning, problem solving and team work. These are vital skills for future success. To achieve this goal, I will assign team of 4-6 to prepare a class project on a pre-specified topic. The class project will account for a considerable portion (30%) of your final score.

Nature of the project

Each team will be assigned to a topic closely related to current economy and the class material. Teams are expected to do independent research on the topic from various sources such as library publications, internet, and collect data if necessary. Presentations will start at week 4 and last until the end of the module. The teams will be assigned on a random basis. The final project includes a final report (in word document), and a final power point presentation; both should be turned in electronically on or before the last day of week 9.

Team management

Team will be selected to mix students with different gender, school and undergraduate major. Working with team is essential. Once the team is assigned, there should be no change in the team member. I will not interfere with work load assignment or how you interact with other. However, free-riding is not allowed. This means that you have to reach an agreement beforehand regarding how to work on the project. For any member who does not do his/her part, you should make sure to report to me, this member will not get the score for the group project which means he/she will fail this class.

Requirement for final report

The final report should be in English. All information cited should have a footnote to show the source (publication, book, or web address) which will allow me to verify and trace the authenticity. The reports should be concise and well written; the length should be 10 to 20 pages (on A4 letter, double space, font size 12). Charts and table should be in the appendix and do not count for pages.

Language and Dressing Code

Presentation and power point are all in English. I require all the members of the presentation team dress formally on the day of the presentation. Violation will be considered as lack of proper business etiquette and presentation points will be deduct accordingly.

Final Exam:

If you fail to take the exam, you will receive a zero score, no exception will be made.

You are responsible for all material in the relevant chapters of the textbook (see below), for the topics we discussed in our financial news analysis and for what were covered in my lectures.

Course Evaluations:

At the end of the semester, please let me know what you liked and what you disliked about this class by taking advantage of the University's course evaluation system. I really appreciate your feedback – incorporating your suggestions will help me in updating the course for future generations of students.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

Tentative Course Outline (details will change over the course of the semester):

Week	Date	Topics	Textbook	Notes
1		Introduction	Ch. 1	
		Money and Bond Markets	Ch. 2	
2		Equity Markets	Ch. 2	
		Security Trading	Ch. 3	
3		Mutual Funds	Ch. 4	
		Risk/Return in Financial Markets	Ch. 5	
4		Dealing with Risk	Ch. 6	
		Diversification	Ch. 7	
5				

6	Efficient Markets Hypothesis	Ch. 11
	Bond Prices and Yields	Ch. 14
	Mortgages	-
7	Term Structure of Interest Rates	Ch. 15
	Options	Ch. 20
8	Futures and Swaps	Ch. 22
9	Futures, Swaps and Risk Management	Ch. 22