

**City University of Hong Kong
Course Syllabus**

**offered by Department of Economics and Finance
with effect from Semester A 2024/25**

Part I Course Overview

Course Title:	<u>Financial Systems, Markets and Instruments</u>
Course Code:	<u>EF5342</u>
Course Duration:	<u>1 semester</u>
Credit Units:	<u>3</u>
Level:	<u>P5</u>
Medium of Instruction:	<u>English</u>
Medium of Assessment:	<u>English</u>
Prerequisites: <i>(Course Code and Title)</i>	<u>Nil</u>
Precursors: <i>(Course Code and Title)</i>	<u>Nil</u>
Equivalent Courses: <i>(Course Code and Title)</i>	<u>EF5364 Commercial Banking and Financial Systems</u>
Exclusive Courses: <i>(Course Code and Title)</i>	<u>Nil</u>

Part II Course Details

1. Abstract

This course aims to develop students' ability to analyze the structure, operations and functions of financial markets and institutions in Hong Kong and other leading financial centres.

Students will work on current issues and consolidate what they learn in the classroom. The short essay, based on current issues, will put students' discovery ability to the test. They will make use of the information they obtain from the case study to analyse current issues.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Justify with economic rationales for the existence of financial markets and institutions to analyze the key functions of the various financial markets and institutions.	20%	√	√	
2.	Explain the determinants of the level of interest rates, contrast the various theories of the term structure of interest rates, and discuss the tools, goals, and targets of monetary policy conducted by central banks.	30%	√	√	√
3.	Demonstrate the basic financial instruments in various financial markets and evaluate their principal risks.	30%	√	√	√
4.	Describe and debate the recent global trends in various financial markets.	20%		√	√
		100%			

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Learning and Teaching Activities (LTAs)

(LTAs designed to facilitate students' achievement of the CILOs.)

LTA	Brief Description	CILO No.				Hours/week (if applicable)
		1	2	3	4	
Lectures	Students will engage with key theories and arguments on the concept of financial markets.	√	√	√	√	
In-class discussion	Students will discuss with their peers how to improve their knowledge by reading financial articles published in leading journals and newspapers in order to deepen and broaden their knowledge and skills.	√	√	√	√	

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.				Weighting	Remarks
	1	2	3	4		
Continuous Assessment: 50%						
Course work (such as Individual assignments/group project/midterm test)	√	√	√	√	50%	
Examination: 50% (duration: 2 hours)						
					100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
Course work (such as Individual assignments/group project/midterm test)		Demonstrate very strong knowledge in the subject, and a superior grasp of the critical issue and techniques.	Demonstrate good knowledge in the subject, and a good grasp of the critical issue and techniques.	Demonstrate adequate knowledge in the subject, and adequate grasp of the critical issue and techniques.	Demonstrate limited knowledge in the subject, and some idea of the critical issue and techniques.	Demonstrate very little knowledge in the subject, and no awareness of the critical issue and techniques.
Final Examination		Demonstrate very strong knowledge in the subject, and a superior grasp of the critical issue and techniques.	Demonstrate good knowledge in the subject, and a good grasp of the critical issue and techniques.	Demonstrate adequate knowledge in the subject, and adequate grasp of the critical issue and techniques.	Demonstrate limited knowledge in the subject, and some idea of the critical issue and techniques.	Demonstrate very little knowledge in the subject, and no awareness of the critical issue and techniques.

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
Course work (such as Individual assignments/group project/midterm test)		Demonstrate very strong knowledge in the subject, and a superior grasp of the critical issue and techniques.	Demonstrate good knowledge in the subject, and a good grasp of the critical issue and techniques.	Demonstrate limited knowledge in the subject, and some idea of the critical issue and techniques.	Demonstrate very little knowledge in the subject, and no awareness of the critical issue and techniques.
Final Examination		Demonstrate very strong knowledge in the subject, and a superior grasp of the critical issue and techniques.	Demonstrate good knowledge in the subject, and a good grasp of the critical issue and techniques.	Demonstrate limited knowledge in the subject, and some idea of the critical issue and techniques.	Demonstrate very little knowledge in the subject, and no awareness of the critical issue and techniques.

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

(An indication of the key topics of the course.)

Financial intermediation.

Financial institutions and markets.

Money markets and capital markets.

Primary and secondary markets.

Prices, yields and risk analysis.

Commercial banks, investment banks, central banks.

Security firms, venture capitalists, insurance companies.

Transaction costs, risk sharing and asymmetric information.

Open market operation, discount rate and reserve requirements.

Clearing and settlement.

Asset securitization.

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

Textbook

1.	Mishkin, F.S. and S.G. Eakins, Financial Markets and Institutions, current edition, Pearson, Addison-Wesley.
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2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

1.	Y.K. Ho, R.H. Scott and K.A. Wong (eds), The Hong Kong Financial System, current edition, Oxford University Press.
2.	Santomero, A.M. and D.F. Babbel, Financial Markets, Instruments and Institutions, current edition, McGraw Hill.
3.	Saunders and M.M. Cornett, Financial Markets and Institutions, current edition, McGraw-Hill.
4.	Articles published by central banks, such as Federal Reserves, Bank of England, Bank of Japan, Hong Kong Monetary Authority, Singapore Monetary Authority, People Bank of China and others.
5.	Articles published by international financial institutions, such as World Bank, International Monetary Funds, Asian Development Bank, OECD, Bank for International Settlements and others.
6.	Articles published by relevant financial organizations in HKSAR, such as Securities and Futures Commission, Hong Kong Exchange and Clearing, HKSAR Office of the Commissioner of Insurance, and others.
7.	Lecture notes, newspaper clippings and articles.

8.	http://www.adb.org
9.	http://www.worldbank.org
10.	http://www.imf.org
11.	http://www.info.gov.hk/hkma
12.	http://www.sehk.com.hk