

CB3044: INTRODUCTION TO FINANCIAL MARKETS

Effective Term

Semester A 2022/23

Part I Course Overview

Course Title

Introduction to Financial Markets

Subject Code

CB - College of Business (CB)

Course Number

3044

Academic Unit

Economics and Finance (EF)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

CB3410 Financial Management or FB3410 Financial Management

Precursors

Nil

Equivalent Courses

Nil

Exclusive Courses

EF3333 Financial Systems, Markets and Instruments (Not for students major in Finance, and Computational Finance)

Part II Course Details

Abstract

This course is designed to introduce the major financial markets and their roles and business activities across countries. Familiarity with these topics is necessary for students to be competent in their future professional career. Students will study the present-day financial problems and their broad applications. They will make use of the information they obtain from the lectures to analyse financial topics related to different types of financial systems / markets.

Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Study the role and importance of the financial markets and institutions, and analyze the financial development and activities across countries	15	x	x	x
2	Explore the major risks of the financial markets and their relationship with the monetary policy conducted by central banks	40	x	x	x
3	Understand different activities of different financial institutions such as commercial banks, insurance companies and pension funds	30	x	x	x
4	Critically examine the recent innovation in the financial markets	15	x	x	x

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.

Teaching and Learning Activities (TLAs)

TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	Lectures, group discussions of latest big events related to financial markets.	1, 2, 3, 4
2	Individual Assignments	Essential questions from the textbook and related reading materials to help students to study and understand the concepts and theories of important topics.	1, 2, 3

3	Group project	Students are expected to use the knowledge that they learn from lectures to discuss / explain / solve some real life issues, such as the relationship between financial markets and economic development, by analyzing the datasets and market settings. Students are also encouraged to retrieve data from database such as Bloomberg and other online resources. High marks will be given to those who show team effort, creative thinking and reasonable analysis.	2, 3, 4	
4	Midterm test	The mid-term test covers half semester' s material; it contains multiple-choice questions and short essay questions. It will test the students' ability to discover and make use of the knowledge to carry out analysis of real life issues.	1, 2, 3, 4	

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Individual assignments	1, 2, 3	15	
2	Group projects	2, 3, 4	15	
3	Mid-term test	1, 2, 3, 4	30	

Continuous Assessment (%)

60

Examination (%)

40

Examination Duration (Hours)

2

Additional Information for ATs

Students are required to pass both coursework and examination components in order to pass the course.

Assessment Rubrics (AR)**Assessment Task**

Individual assignments

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of financial instruments and market system; evidence of extensive knowledge base as outlined in CILOs; ; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery

Good (B+, B, B-)

Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.

Fair (C+, C, C-)

Some evidence of knowing how to apply the concepts outlined in CILOs; some ability to discover and innovate, and satisfactory evidence of accomplishments of discover

Marginal (D)

Marginal familiarity with the subject of financial instruments and market system; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.

Failure (F)

Little evidence of familiarity with the subject of financial instruments and market system; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery

Assessment Task

Group projects

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of financial instruments and market system; evidence of extensive knowledge base as outlined in CILOs; ; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery

Good (B+, B, B-)

Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.

Fair (C+, C, C-)

Some evidence of knowing how to apply the concepts outlined in CILOs; some ability to discover and innovate, and satisfactory evidence of accomplishments of discover

Marginal (D)

Marginal familiarity with the subject of financial instruments and market system; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.

Failure (F)

Little evidence of familiarity with the subject of financial instruments and market system; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery

Assessment Task

Mid-term test

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of financial instruments and market system; evidence of extensive knowledge base as outlined in CILOs; ; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery

Good (B+, B, B-)

Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.

Fair (C+, C, C-)

Some evidence of knowing how to apply the concepts outlined in CILOs; some ability to discover and innovate, and satisfactory evidence of accomplishments of discover

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Failure (F)

Little evidence of familiarity with the subject of financial instruments and market system; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery

Assessment Task

Examination

Excellent (A+, A, A-)

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of financial instruments and market system; evidence of extensive knowledge base as outlined in CILOs; ; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery

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Part III Other Information

Keyword Syllabus

1. Interest Rate Risk
2. Risk and Term Structure of Interest Rate
3. Financial System.
4. Structure of Central Banks
5. Monetary Policy
6. Operations of Deposit-taking and Loan-issuing
7. Insurance Companies and Pension Funds
8. Security Brokers and Dealers, Underwriting, and Mergers and Acquisitions (M&A)

9. Money Market
10. Foreign Exchange Market
11. Stock Market
12. Future Market
13. Option Market

Reading List

Compulsory Readings

Title	
1	Valdez, S. and P. Molyneux (2015), An Introduction to Global Financial Markets, 8th ed. Palgrave.

Additional Readings

Title	
1	Howells, P., and K. Bain (2007), Financial Markets and Institutions, 5th ed. Financial Times / Prentice Hall.
2	Pilbeam, K. (2010), Finance and Financial Markets, 3rd ed. Palgrave