

# Capital University of Economics and Business

## Overseas Chinese College

### Course Syllabus

<b><u>Year and Semester</u></b>	2021 Fall
<b><u>Course Name</u></b>	Finance
<b><u>Course Code</u></b>	BC301
<b><u>Course Type</u></b>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input type="checkbox"/> Professional Course (Required) <input checked="" type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Basic Disciplinary Course
<b><u>Course Credits</u></b>	3
<b><u>Course Hours</u></b>	51
<b><u>Prerequisites</u></b>	None
<b><u>Instructor</u></b>	Yuting Zhang (Echo Zhang)
<b><u>Contact Information</u></b>	Office: C204 Tele: (010)83951085 Email: zhangyuting@cueb.edu.cn
<b><u>Office Hour</u></b>	M: 13 : 00-18 : 00; TH:8:00—9:00
<b><u>Learning Centre</u></b>	T: 18:00-20:00; F: 10:00-12:00
<b><u>Grade/Section</u></b>	2019 BA/2020ACCA
<b><u>Course Time/Place</u></b>	T/TH 13:30-15:20/11:10-12:00 5#109 T/TH 15:40-17:30/10:10-11:00 5#204/5#109

#### **Textbook**

Frederic S. Mishkin. *The Economics of Money, Banking, and Financial Markets, 11th Edition*. China Renmin University Press, Beijing, ISBN978-7-300-26690-9.

#### **Course Description**

This course is an introduction to the finance, which shows students a picture of the dynamic and evolving financial system and how it relates to the aggregate economy by looking at the money and monetary policy, financial market, financial intermediaries. This course mainly covers interest rate analysis in the bond market, stock valuation theory, interpretation of financial structure, bank risk management, financial innovation and financial regulation. Students will develop a unifying framework of the financial system and get a better understanding of the trends in financial markets.

#### **Student Learning Objectives**

At the end of this course you should be able to:

##### **Knowledge:**

- (1) Summarize the function and structure of financial market
- (2) Describe the function and importance of financial intermediaries

(3) Explain the basic facts of financial structure

(4) List types of financial regulations

Identify the history and products of financial innovations

#### Capability

(5) Interpret the behavior of interest rates in the bond and money market

(6) Demonstrate general principles of management in the banking industry

(7) Apply market theories in the stock market by evaluating the stock prices

#### Mindset

(8) Avoid moral problem in the financial market

(9) Make an effort in supervising the financial regulation

(10) Interpret the market with upright and logical judgment

### Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams.

### Grade Criterion

Component	Weight	Description
Final Exam	20%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems, and preparation of financial statements. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents that have been taught in class. The test paper may be mainly composed of multiple-choice questions and it should be completed within 15 minutes in class.
Homework	10%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	10%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	20%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures. Each group need to finish a PPT related to the topic which is given and hand in the related resources to the teacher before the presentation.

Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
<b>Total</b>	100%	

### **Detailed Grade Computation**

	<b>Before Midterm</b>	<b>After Midterm</b>
Attendance	5%	5%
Participation	5%	5%
Homework	5%	5%
Quizzes	5%	5%
Presentation		20%
Midterm test	20%	
Final exam		20%
<b>Total</b>	<b>40%</b>	<b>60%</b>

### **Grading Policy**

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B- 80-82
C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D 62-60	F 0-59

### **Exam Schedule**

Midterm Test: 11.1/11.2 (tentative)

Final Exam: 1.5-1.14

### **Assessment of Student Performance**

#### ***☞ Self-Study and Reading ability Practice***

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

#### ***☞ Homework***

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

#### ***☞ Attendance***

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ♦ Being late for 15 minutes or more is considered an absence.
- ♦ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the teacher.
- ♦ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly. but students are welcome to continue attending classes.

- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

### *☞ Participation*

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

### *☞ Textbook*

Students must bring the textbook to class.

### **Outline**

<b>Week</b>	<b>Date</b>	<b>Schedule</b>
1	9/7	Introduction Chapter 1 Why study money, banking, and financial markets?
	9/9	Defining aggregate output, income, the price level, the inflation rate
2	9/14	Chapter 2 An overview of the financial system Financial markets (Function, structure, instruments, internationalization)
	9/16	Financial intermediaries (Function, types, regulation)
3	9/21	<b>Mid-Autumn</b>
	9/23	<b>Quiz 1 Ch1-2</b>
4	9/28	Chapter 3 What is money? Money (meaning function, measurement)
	9/30	Evolution of the payments system
5	10/5	Chapter 4 The meaning of interest rates Present value of cash flows Four types of credit market instruments
	10/7	YTM, rate of return Nominal and real interest rate
6	10/12	Chapter 5 The behavior of interest rates Determinants of asset demand Supply and demand in the bond market
	10/14	Class activity
7	10/19	Supply and demand in the money market
	10/21	Chapter 6 The risk and term structure of interest rates Risk structure of interest rate (Default risk, income tax, liquidity)

8	10/26	Term structure of interest rate <ul style="list-style-type: none"> <li>◇ Expectations theory</li> <li>◇ Segmented markets theory</li> <li>◇ Liquidity premium and preferred habitat theories</li> </ul>
	10/28	Review
9	11/2	<b>Midterm Ch1-6</b>
	11/4	Midterm paper review
10	11/9	Chapter 7 The stock market, the theory of rational expectations, and the efficient market hypothesis Computing the price of common stock How the market sets prices
	11/11	The theory of rational expectations Efficient market hypothesis
11	11/16	Chapter 8 An Economic Analysis of Financial Structure Basic facts about financial structure worldwide Transaction costs Asymmetric information: adverse selection, moral hazard
	11/18	Class activity
12	11/23	Lemons Problem How moral hazard affects (1) The choice between debt & equity (2) Financial structure in debt markets
	11/25	Review
13	11/30	<b>Quiz 2 Ch7-8</b>
	12/2	Chapter 9 Banking and the Management of Financial Institutions Bank balance sheets & Off balance sheet activities
14	12/7	Basic banking General principles of bank management
	12/9	Risk management (credit risk, interest rate risk)
15	12/14	Chapter 10 Economic Analysis of Financial Regulation Government safety net Eight types of financial regulation
	12/16	Chapter 11 Banking Industry: Structure and Competition Financial innovation (shadow banking system)
16	12/21	Presentations
	12/23	Presentations
17	12/28	Final review
	12/30	Q&A

*Note:*

*In the first three weeks, Xuexitong and the Wechat group will be used as the main teaching methods. The*

Wechat group will be mainly used to inform the students daily study activities and tasks. Xuexitong will be used as the main study platform to organize the study activities. When classes change back to school, Xuexitong will be mainly used to upload PPTs and release some learning materials.

Some chapters or sections may leave for self-study, this is the students' duty to learn and understand they may also be included in the quizzes or exams.

A review in Chinese may be held during L.C. and O.H. in the semester.

### **Teacher's Office Hour**

- ♦ The instructor's office hour is shown in the front of the office door.
- ♦ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ♦ The time can be scheduled by instructors or students, or both.

### **Cheating and Plagiarism**

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

### **Important Dates**

<b>Fall Semester, 2021</b>	<b>September 2, 2021— January 16, 2022</b>
Sep.5	Registration
Sep.6	Classes Begin
Sep. 21	Mid-Autumn Festival
Oct.1	National Day
Nov.1-5	Midterm Test (tentative)
Jan. 1, 2022	New Year's Day
Jan. 1-4	Revision
Jan, 5-14	Final Exams
Jan. 17	Winter Vacation Begins

*Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.*

**Instructor:** \_\_\_\_\_

**Department Head:** \_\_\_\_\_

