
Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2021 Summer (March 1, 2021 - June 20, 2021)
<u>Course Name</u>	Finance
<u>Course Code</u>	BC301
<u>Course Type</u>	<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
<u>Course Credits</u>	3
<u>Course Hours</u>	48
<u>Prerequisites</u>	None
<u>Instructor</u>	Yuting Zhang (Echo Zhang)
<u>Contact Information</u>	Office: C204 Tele: (010)83951123 Email: zhangyuting@cueb.edu.cn
<u>Office Hour</u>	T: 10 : 00-12 : 00; W:13:00—16:00 ; F : 9:00-10:00
<u>Learning Centre</u>	W: 16:00-20:00
<u>Grade/Section</u>	2019 IT Y01
<u>Course Time/Place</u>	T: 8:00-9:50/5#208 F: 8:00-8:50/5#208

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 designed to give students an understanding of the dynamic and evolving financial system and how it relates to the aggregate economy. With a general introduction of a few basic economic concepts, an emphasis on financial structure and an exploration of how this applies to U.S. economy, this course will be delivered by developing a unifying framework to help students better understand trends in financial markets and variables such as interest rates, stock, financial innovation, financial regulation.

Student Learning Objectives

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

- (1) Understand the function and structure of financial market
- (2) Describe the function of financial intermediaries and evaluate the importance of financial intermediaries
- (3) Interpret the behavior of interest rates in the bond and money market

- (4) Understand the pricing of stock and stock market theories
- (5) Paraphrase the management of financial institutions especially banks
- (6) Explain the basic facts of financial structure
- (7) Summarize the financial regulations

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
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%

Participation	5%	5%
Homework	5%	5%
Quizzes	5%	5%
Presentation		20%
Midterm test	20%	
Final exam		20%
Total	40%	60%

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: 4.20 (tentative)

Final Exam: 6.21-6.25

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

Week	Date	Schedule
1	3/2	<i>Part 1 Introduction (Ch1-Ch3)</i> Why study money, banking, and financial markets? (Ch1) Defining aggregate output, income, the price level, the inflation rate (Appendix to Ch1)
	3/5	An overview of the financial system (Ch2)
2	3/9	Financial markets (Function, structure, instruments, internationalization)
	3/12	Financial intermediaries (Function, types, regulation)
3	3/16	What is money? (Ch3) Money (meaning function, measurement) Evolution of the payments system
	3/19	Quiz Ch1-3
4	3/23	<i>Part 2 Financial Markets (Ch4-Ch7)</i> The meaning of interest rates (Ch4) Present value of cash flows Four types of credit market instruments
	3/26	YTM, rate of return Nominal and real interest rate
5	3/30	The behavior of interest rates (Ch5) Determinants of asset demand Supply and demand in the bond market Supply and demand in the money market
	4/2	Class activity-Application*3
6	4/6	The risk and term structure of interest rates (Ch6) Risk structure of interest rate ◇ Default risk, income tax, liquidity Term structure of interest rate ◇ Expectations theory ◇ Segmented markets theory ◇ Liquidity premium and preferred habitat theories
	4/9	Interpreting Yield Curves
7	4/13	Tutorial: Homework Review for Ch4 – 6
	4/16	Sports
8	4/20	Midterm Ch1-6
	4/23	The stock market, the theory of rational expectations, and the

		efficient market hypothesis (Ch7) Computing the price of common stock How the market sets prices
9	4/27	The theory of rational expectations Efficient market hypothesis
	4/30	<i>Part 3 Financial Institutions</i> An Economic Analysis of Financial Structure (Ch8) Basic facts about financial structure worldwide Transaction costs Asymmetric information: adverse selection, moral hazard
10	5/4 (Labor day)	
	5/7	Lemons Problem How moral hazard affects (1) The choice between debt & equity (2) Financial structure in debt markets
11	5/11	Banking and the Management of Financial Institutions (Ch9) Bank balance sheets & Off balance sheet activities Basic banking General principles of bank management
	5/14	Risk management (credit risk, interest rate risk)
12	5/18	Economic Analysis of Financial Regulation (Ch10) Government safety net Eight types of financial regulation
	5/21	Quiz Ch7-9
13	5/25	Too big to fail (movie)
	5/28	Banking Industry: Structure and Competition (Ch11) Historical development of the banking system Financial innovation (shadow banking system)
14	6/1	Structure of the US commercial banking industry Bank consolidation
	6/4	Presentations
15	6/8	Presentations
	6/11	Presentations
16	6/15	Final review
	6/18	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

Spring Semester, 2021	Feb 28, 2021— July 18, 2021
Feb. 28	Registration
Mar. 1	Classes Begin
Apr.4	Qing Ming Festival
Apr.16	Spring Sports
Apr.26 -30	Midterm Test (tentative)
May 1	Labor Day
June 14	Dragon-Boat Festival
June 21-25	Final Exams for Sophomores and Juniors
June 28-July18	Social Practice for Sophomores and Juniors (tentative)
July 3-11	Revision (Freshmen)
July 12-16	Final Exam Period (Freshmen)
July 19	Summer 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: _____

