

Chinese Financial Markets

For Undergraduate Students and Exchange Students in Fudan University, China

Course Description

This course aims to providing students with a whole picture on how the Chinese financial markets originated and evolved, what reforms have been done in the past 30 years, trends in development, and challenges and difficulties in future reforms.

The course is a 3-credit mandatory for students from ABS, a joint program cooperated by Fudan University, Hong Kong Chinese University and Waseda University. It is also open to local students and exchange students in Fudan as an elective. Students majoring in economics or finance are preferred. Prerequisite courses include Macro-economics, Micro-economics and Financial Management.

Starting with a comprehensive introduction, the course covers major financial markets in China, including the central bank and the banking system, the bond market, the stock market and the foreign exchange market. Each will be discussed as an individual topic, in which the instructor first reviews the fundamental concepts and theories, explains the history and facts in China, presents examples and cases, and then talks about current and future reforms. Classroom discussion is greatly encouraged.

However, all the markets are interrelated, and should be understood in the background of domestic economic reform and international financial market development as well. By moving forward gradually, the instructor tries to integrate the contents, and provides students with the underlying logic as a whole instead of only scattered pieces.

The total teaching time will be 3 teaching hours each in 19 weeks, including the final examination. In completing the course, students are required to do one presentation in the class in groups, which accounts for 30% in the final grading. The presentation will be 25-30 minutes, and can be of any topic related to the financial markets (central bank, the banking system, the security market, the exchange rate, etc.) not limited to China. Chinese students may talk about new trends in the domestic market and present their comments and insights, while international students can share their countries' experience so as to provide a global perspective for the course.

The final exam is individual thesis writing (5-8 pages) on any topic related to the Chinese financial markets, which accounts for 50% in the grading. Students should combine what they learn in the class and what they read in the media to write a logical and well-structured thesis.

The course will be conducted in English. Textbooks, instructor's PPT files and supplementary readings, classroom discussions, presentations and the individual theses should all be in English.

Textbook

Foundations of Financial Markets and Institutions (4th Edition), by Frank J. Fabozzi, Franco Modigliani, Frank J. Jones, ISBN: 978-7-111-32325-9, November 1, 2010, Pearson Education (Re-printed by China Machine Press)

will be provided in class.

Grading

Classroom attendance and participation	20%
Group project presentation	30%
Final thesis (individual)	50%

Teaching Agenda

Week 1-2: Introduction and Overview of International Financial Markets

Week 3-6: Central Bank and the Banking System in China

Week 7-8: the Bond Market China

Week 9-11: the Stock Market in China

Week 12-14: RMB Exchange Rate Reform and Opening of the Financial Market

Week 15-16: Students Classroom Presentation

Week 17: Course Wrap-up

Week 18-19: Individual Thesis Writing