

**THE UNIVERSITY OF HONG KONG
HKU BUSINESS SCHOOL**

FINA3318- China's Financial System and Markets

GENERAL INFORMATION			
Class meeting time: TBA			
Venue: TBA			
Instructor: Professor Joe Zou			
Office: KK 835			
Teaching assistant: TBA			
Email: TBA			
Pre-requisites: FINA 1310 (Corporate Finance)			
COURSE DESCRIPTION			
This course is to examine and analyze the financial markets in China. The purpose is to help students form an understanding of the current state of major financial institutions, instruments, and regulations in the Chinese financial market. Particular emphasis is placed on the role of the financial system on the development and reform of economy in China, as well as the impact of Chinese government in developing the economy and financial markets. Pending issues and future directions will also be discussed.			
COURSE OBJECTIVES			
<ol style="list-style-type: none"> To help students understand the development and practices in China's financial system and markets To provide students with knowledge about the relevant policies and regulations in China To develop students for the further progress of China's financial system and markets 			
FACULTY GOALS			
Goal 1: Acquisition and internalization of knowledge of the programme discipline Goal 2: Application and integration of knowledge Goal 3: Inculcating professionalism Goal 4: Developing global outlook Goal 5: Mastering communication skills Goal 6: Cultivating leadership			
COURSE LEARNING OUTCOMES			
Course Learning Outcomes		Aligned Faculty Goals	
CLO1 Describe the key elements of China's financial system and markets		Goals 1, 2, 5	
CLO2 Analyze select industry, market and regulatory practices in China		Goals 2, 3, 5, 6	
COURSE TEACHING AND LEARNING ACTIVITIES			
Course Teaching and Learning Activities		Expected Study Hours	Study Load (% of study)
T&L1. Lectures		36	30%
T&L2. Projects		36	30%
T&L3. Case-based study and analysis		48	40%
Total		120	100%
Assessment Methods	Brief Description (Optional)	Weight	Aligned Course Learning

			Outcomes
A1. Class participation	In-class discussions, case analysis	30%	CLO 1, 2
A2. Quiz	Individual analysis	30%	CLO 1, 2
A3. Final report	A research report on a chosen topic on the financial markets in China	40%	CLO 1, 2
		Total	100%

In A1, students are expected to analyze assigned questions and cases by using the knowledge learned from the course in groups.

In A2, students are expected to apply related knowledge to some given questions in an individual-based quiz.

In A3, student groups are expected to select a related topic to have an in-depth investigation. Some sample topics will be provided for reference in due course.

STANDARDS FOR ASSESSMENT

Course Grade Descriptors

A+, A, A-	Student consistently demonstrates a thorough grasp of the subject
B+, B, B-	Student frequently demonstrates a substantial grasp of the subject
C+, C, C-	Student demonstrates a reasonable grasp of the subject
D+, D	Student demonstrates acceptable grasp of the subject
F	Student fails to demonstrate a grasp of the subject

Assessment Rubrics for Each Assessment (Please provide us the details in a separate file if the space here is not enough)

Assessment Task: Class participation

A+, A, A-	Candidates consistently contribute to class discussion of assigned topic, demonstrated the ability to introduce and analyze the topic with excellent insights and strong arguments.
B+, B, B-	Candidates frequently contribute to class discussion of assigned topic, demonstrated the ability to introduce and analyze the topic with good insights and logical arguments.
C+, C, C-	Candidates at times contribute to class discussion of assigned topic, demonstrated the ability to introduce and analyze the topic with good insights and valid arguments.
D+, D	Candidates occasionally contribute to class discussion of assigned topic, demonstrated a limited ability to introduce and analyze the topic with some fair insights and arguments.
F	Little participation and evidence of the ability to introduce and analyze the topic with relevant insights and arguments

Assessment Task: Mid-term quiz

Same as Course Grade Descriptors

Assessment Task: Final report

A+, A, A-	Candidates consistently demonstrated the ability to identify a very important and very interesting issue to analyze, and a thorough grasp of the subject as evidenced by an exceptionally astute analysis and synthesis, and strong problem solving ability.
B+, B, B-	Candidates frequently demonstrated the ability to identify an important and interesting issue to analyze, and a substantial grasp of the subject as evidenced by a good analysis and synthesis, and good problem solving ability.
C+, C, C-	Candidates demonstrated the ability to identify a reasonably important and interesting

	issue to analyze, and a fair grasp of the subject as evidenced by a reasonable analysis and synthesis, and fair problem solving ability.
D+, D	Candidates demonstrated the ability to identify a relevant issue to analyze, and a limited grasp of the subject as evidenced by a relevant but limited analysis and synthesis.
F	Little evidence of the ability to identify a relevant issue to analyze, and little evidence of the familiarity with the subject matter; weak analysis; little relevant use of knowledge.

COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

1. Overview of China's financial system
2. Major segments of China's financial markets
3. China's stock markets
4. China's monetary policies
5. Foreign exchange policies and operations
6. China's bond markets
7. Shadow banking
8. China's real estate market
9. FinTech in China

REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS (e.g. journals, textbooks, website addresses etc.)

Handouts from the course instructor. It is your responsibility to download from Moodle and print the materials for the remaining teaching weeks.

Required reading:

- Amstad, Marlene, Guofeng Sun, and Wei Xiong, 2019, *The Handbook of China's Financial System* (the book can be downloaded for free from <https://www.chinafinancialsystem.com/>) Hereafter, it is referred to as Amstad et al. (2019) or the Handbook.
- Guest lectures delivered by the invited industry professionals

Recommended readings:

- Allen, Franklin, Jun Qian, and Meijun Qian, 2018. A review of China's Institutions. Available at SSRN: <http://dx.doi.org/10.2139/ssrn.3269018>
- Carpenter, Jennifer N., and Robert F. Whitelaw, 2018. The Development of China's Stock Market and Stakes for the Global Economy. *Annual Review of Financial Economics*, Vol. 9, pp. 233-257. Available at SSRN: <https://ssrn.com/abstract=3095976>
- Hu, Xing Grace, Jun Pan, and Jiang Wang, 2019, Chinese Capital Markets: An Empirical Overview, Working Paper, HKU and MIT.
- Song, Zheng, and Wei Xiong, 2018, Risks in China's Financial System, *Annual Review of Financial Economics* 10, 261-286.

The following news websites provide rich updates on China's financial markets and economy:

- 1) <https://www.caixinglobal.com/> or <http://www.caixin.com/> (Chinese)
- 2) <http://scmp.com>
- 3) <https://www.ft.com/stream/dd3cc5a2-d14b-4b78-811c-89c387497476> or <http://www.ftchinese.com/> (Chinese)

MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE

- ✓ conducting mid-term survey in addition to SETL around the end of the semester
- ✓ Online response via Moodle site
- ✓ Others: ___ email reply to queries ___ (please specify)

COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)**1. Class Attendance**

Attendance at ALL meetings of the course is expected. **This course is not a standard and traditional course, but seminar based;** it involves a wide spectrum of modern issues, and requires a combination of the instructor's introduction of the requisite knowledge **and students' active participation into class discussions, news sharing, case analysis, and guest lectures.** A significant assessment weighting is given to ongoing in-class activities *throughout the semester*. Therefore, **class participation is important for course assessment.** I plan to arrange multiple in-class assignments, which will counted towards continuous assessment.

2. No Make-Up Tests

No early or late test will be given. A make-up test will only be given under exceptional circumstance with the University's special written permission.

3. Mobile Phones or Pagers

Referring to university policy, the use of mobile phones or pagers is not allowed in lecture theatres or classrooms.

4. HKU policies on plagiarism and academic honesty apply.**ADDITIONAL COURSE INFORMATION** (e.g. e-learning platforms & materials, penalty for late assignments, etc.)

Moodle course