



## 1. General Information

Course Subject	FINA
Course Number	2330
Course Title	Financial Markets & Institutions
Academic Years	2024-2025
Grading Method	Letter

## 2. Instructors

Dr TAM, Yat Kung Elton  
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Subclasses: 1A,1B

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Subclasses: 2C,2D,2E

## 4. Course Description

Course Description	This course is designed to introduce and analyze the structure, operations, and functions of the financial system. The course starts with an introduction to financial markets' role in the economy and the determination of interest rates and valuation of cash flows. The course then discusses various financial markets including money markets, bond markets, mortgage markets, stock markets, and derivatives markets. Financial institutions will be discussed with an emphasis on their major functions and operations.
Prerequisites	ECON1210: Introductory Microeconomics; and FINA1310: Corporate Finance
Free Elective	Yes

## 5. Course Objectives

1. To provide an overview of major financial markets and financial institutions.
2. To develop an understanding of the basic concepts in banking and finance and their applications.
3. To increase the understanding of real-world challenges in financial markets.
4. To prepare for the next level of finance course.

## 6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline

6. Faculty Learning Goals
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

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. To understand the basic functions and structures of major financial markets and financial institutions.	✓			✓		
CLO2. To understand simple models to explain the determinants of interest rates, stock prices, and exchange rates.	✓			✓		
CLO3. To be able to explain why financial intermediaries and central banks exist and what is their role in the modern economy.	✓			✓		
CLO4. To analyze and evaluate the current financial market news and issues and their implications.	✓	✓		✓		
CLO5. To develop skills to conduct research and deliver presentations on topics related to financial markets and institutions.	✓	✓	✓	✓	✓	✓

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lectures	36	30
T&L2. Tutorials	12	10
T&L3. Self-Study	72	60
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Attendance/ Participation—T utorial		10%	1,2,3,4,5
A2. Project (Gro up)—Proposal		40%	1,2,3,4,5
A3. Final Exam		50%	1,2,3,4,5

## 10. Course Grade Descriptors

A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesize.
B+,B,B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesize.
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning; such as describing and applying, but not at high levels of learning such as evaluating and synthesizing.
D+,D	Evidence of basic familiarity with the subject.
F	Little evidence of basic familiarity with the subject.

## 11. Course Content and Tentative Teaching Schedule

Topic/ Session	Content
	Why study financial markets and institutions
	Overview on the financial system
	What do interest rates mean and what is their role in valuation
	Why do interest rates change
	How do risk and term structure affect interest rates
	Are financial markets efficient
	Why do financial institutions exist
	Central banks and the federal reserve system
	Conduct of monetary policy: Tools, Goals, Strategy, and Tactics
	The money markets
	The bond market
	The stock market
	The foreign exchange market
	The international financial system
	Banking and management of financial institutions
	Financial regulation
	Hedging with financial derivatives

## 12. Required/Recommended Readings & Online Materials

Reading	<u>Lecture Notes and Assigned Readings:</u> Before each class students can download the lecture notes from the course website. Supplementary required and optional readings and other materials may also be distributed during classes and tutorials.
Textbook	<u>Required Textbook:</u> Financial Markets and Institutions, by Frederic S. Mishkin and Stanley G. Eakins (ME), 9th edition, Pearson Education

### 13. 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

### 14. Course Policy

#### **Academic Honesty**

Plagiarism (<http://www.rss.hku.hk/plagiarism/><http://www.rss.hku.hk/plagiarism/>)

"A candidate shall not engage in plagiarism nor employ nor seek to employ any other unfair means at an examination or in any other form of work submitted for assessment as part of a University examination. Plagiarism is defined as the unacknowledged use, as one's own, of work of another person, whether or not such work has been published."

"In this University, plagiarism is a disciplinary offense. Any student who commits the offense is liable to disciplinary action."

You are strongly advised to read the booklet "What is Plagiarism" (<http://www.rss.hku.hk/plagiarism/> ) and to consult your teachers if you have any questions about how to avoid plagiarism.

#### Cheating

Cheating is another very serious academic offense. Any student who commits cheating on homework assignments or the final examination will receive a grade of "F" for the whole course. In addition, the case will be reported to the relevant Board of Examiners and/or the Senate of the University for further action.

#### **Class Attendance**

To maximize the learning experience, students are strongly recommended to attend all the lectures and tutorial classes, submit the homework assignments on time and participate actively in the term project. Based on the records of the past semester, the correlation between course performance and attendance rate in lectures was very high. The workload of this course is quite heavy and students are expected to spend at least 130 contact hours as described above.

#### **Class Conduct**

The guiding principle governing class conduct is mutual respect. All mobile phones must be switched off or on silent mode. No eating or drinking is allowed. Students should not disturb others in the class.