



**THE CHINESE UNIVERSITY OF HONG KONG  
DEPARTMENT OF ECONOMICS**

**ECON3580  
Emerging Financial Markets of China**

**COURSE SYLLABUS  
(2021-2022 Second Term)**

**COURSE DESCRIPTION**

The course provides an introduction to China's financial markets and their latest developments. The difficulties in building financial markets compatible with a market economy are explored and the various strategies to reform China's financial system are scrutinized. Topics include: China's financial structure, financial repression and liberalization, monetary policy, banking reforms, exchange rate policy and capital control and capital-account liberalization

**LEARNING OUTCOMES**

After completing this course, students should be able to:

1. Have a basic understanding of the background of the historical developments of the Chinese Financial Market, and its importance in supporting government policies
2. Understand the relationship between the Chinese Financial Market and its importance in turning China into a market economy.
3. Understand how China's monetary policy differs from that of the developed world
4. Appreciate the current challenges of the Chinese Financial Market

## **THE TEACHING TEAM**

<b>Instructor</b>	Wallace K. C. Mok
<b>Email</b>	wallacemok@cuhk.edu.hk
<b>Office</b>	ELB 905
<b>Office Hours</b>	Walk-in consultations welcomed

<b>Teaching Assistant</b>	LIN Zhenhe	Ellon FOK
<b>Email</b>	ZhenheLin@link.cuhk.edu.hk	hlfok@link.cuhk.edu.hk
<b>Office</b>	-	ELB 1017
<b>Office Hours</b>	By appointment	By appointment

## **LECTURE HOURS**

Thursday                    2:30pm - 5:15pm

## **ASSESSMENT SCHEME**

The assessment is based on:

<b>Instrument</b>	<b>Weight</b>
Quiz/Midterm	35%
Final Exam / Presentations	65%
<b>Total</b>	<b>100%</b>

## **EXAM**

The date and venue for the final exam will be announced.

## **COURSE TEXTBOOKS**

There is no required textbooks in this course. We will make references to a number of academic journal articles, research reports and articles in financial/business magazine.

## **COURSE MATERIALS**

Course materials (lecture notes, suggested readings) will be posted on E-learning.

## **HONESTY IN ACADEMIC WORK**

Students must observe the University's policy on Honesty in Academic Work (please see <http://www.cuhk.edu.hk/policy/academichonesty/>). Every assignment must be accompanied by a signed declaration of originality. For group projects, all students of the same group should be asked to sign on the declaration. For assignments in the form of a computer-generated document that is principally text-based and submitted via [VeriGuide](#), the statement, in the form of a receipt, will be issued by the system upon students' uploading of the soft copy of the assignment. Assignments without the receipt will not be graded by teachers. Only the final version of assignments should be submitted via VeriGuide. The Chinese University of Hong Kong places very high importance on honesty in academic work submitted by students, and adopts a policy of zero tolerance on cheating in examinations and plagiarism. Any related offence will lead to disciplinary action including termination of studies at the University.

## **CONTENTS (TENTATIVE AND NOT NECESSARILY IN ORDER, SOME TOPICS MAY NOT BE COVERED SUBJECT TO TIME CONSTRAINT)**

1. Introduction to the Financial System of China
2. The role of banks in China
3. The role of the Stock market in China
4. The bond market of China
5. Global Imbalance and the Exchange Rate Policy of China
6. The Real-Estate Problem, and oversupply of housing
7. Shadow banking and Informal Finance
8. The problem of Non-Performing Loans
9. The Great Recession and the Legacy of the 2009 Fiscal Stimulus
10. RMB and the SDR