



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

**ECON3580
Emerging Financial Markets of China**

**COURSE SYLLABUS
(2022-2023 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/recent policies of the Chinese Financial Market

THE TEACHING TEAM

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

Teaching Assistant	TBA	TBA
Email		
Office		
Office Hours		

LECTURE HOURS

Thursday 2:30pm - 5:15pm ELB LT4

ASSESSMENT SCHEME

The assessment is based on:

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

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. Portfolio theory and 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. Shadow banking and Informal Finance
7. The problem of Non-Performing Loans
8. The Great Recession and the Legacy of the 2009 Fiscal Stimulus
9. The Real-Estate Problem, and oversupply of housing