GLEF3030 Global Financial Markets
2023-24 Term 2
Course outline

Course Information
Instructor: Dr. Edwin Mok
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Consultation Hours: 13:00 – 14:00 on Monday. By appointment

Course Description
This course is intended for students who wish to grasp the understanding of financial markets and the principles that underpin the operations of financial institutions. The course delves into various financial instruments traded within the realms of securities, foreign exchange, options, and futures markets. Topics covered encompass intersectoral flow-of-funds analysis, the determination of interest rates, and the analysis of money and capital markets.

Learning Outcomes

Upon completion of the course, students will be able to:

a.   Comprehend the functioning of financial markets and their current dynamics.

b.   Acquire knowledge about how interest rates are determined.

c.   Develop an understanding of money markets, bond markets, stock markets, foreign exchange markets, and derivative securities markets.

d.   Recognize the roles of various financial institutions and the types of risks associated with them.

Course Syllabus
- Asymmetric Information
- Interest Rate Risk & Duration
- Money and Bond Markets
- Mortgage Markets
- Stock Markets
- Foreign Exchange Markets
- Derivative Securities Markets

Course Components (Learning Activities)
- Lecture: 3 hours per week
- Self-study (i.e., preparation of class, textbook reading, and after-class discussion): 3 hours per week
- Preparation of course assessment (i.e., assignments, projects, and final assessment): 3 hours per week
- Reading current financial news (i.e., online videos, newspapers, and articles): 3 hours per week.

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Assessment

Students are required to complete ALL the assessment components of the course below:

1. <u>Class Participation</u> 20%
    *   Your score will be determined by your attendance and active participation in class activities.

        Those who accumulate 100 tokens will receive full credit:

    *   2 tokens for attendance by collecting name tag.

    *   2 tokens for coming class on time.

    *   4 — 6 tokens for in-class polling.

    *   2 — 4 tokens for giving comment about the class (by email).

    *   10 — 20 tokens for participating in Financial Lab Session.

    *   5 — 10 tokens for participating in investment simulation game.

    *   Assessment on your participation will be ended after week 10.

2. <u>Assignments</u> 10%
    *   In this course, there are two assignments.

    *   Your assignments will be evaluated on a pass (5%)/fail (2%) grading basis.

    *   The minimum passing score for each assignment is 70 out of 100.

    *   The due date of assignment 1 and 2 are 23:59 16-Mar and 20-Apr, respectively.

    *   Please submit your works in PDF format to Blackboard.

    *   Your works could be hand-written or typed.

    *   Late submission will be subjected to 20% penalty.

3. <u>Projects</u> 20%
    *   Please refer to the corresponding notes on Blackboard for additional details and information.

    *   BMC Module (5%)

    *   Project – Presentation (15%)

4. <u>Final assessment</u> 50%
    *   The assessment will encompass all the materials covered in the class.

    *   The only items permitted during the exam are stationery and a calculator.

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Grade Descriptors

Grade	Descriptors
A	**Exceptionally Outstanding** performance on all learning outcomes.
A -	**Outstanding** performance on all learning outcomes.
B+, B, or B-	**Substantial performance** on all learning outcomes, OR high performance on some learning outcomes which compensates for less satisfactory performance on others, resulting in overall substantial performance.
C+, C, or C-	**Satisfactory performance** on the majority of learning outcomes, possibly with a few weaknesses.
D+ or D	**Barely satisfactory performance** on a number of learning outcomes.
F	**Unsatisfactory performance** on a number of learning outcomes, OR failure to meet specified assessment requirements.

Required Readings
Saunders, A. and Cornett, M. Financial markets and institutions. McGraw-Hill Higher Education.

Recommended Readings
- Kahneman, D., & Egan, P. Thinking, fast and slow. New York: Farrar, Straus and Giroux.
- Kapoor, J. R., Dlabay, L. R., & Hughes, R. J. Personal finance. Boston, MA: McGraw-Hill Irwin.
- Mayes, T. R. Financial Analysis with Microsoft Excel.
- Hill, J. Fintech and the remaking of financial institutions. Academic Press.
- Bodie, Z., Kane, A., & Marcus, A. J. Essentials of Investments. McGraw-Hill.

Honesty in Academic Work
Attention is drawn to the University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details can be found at http://www.cuhk.hk/policy/academichonesty

Feedback for Evaluation
For your convenience in the learning process, WhatsApp (9839 2947) and WeChat (edwinmkmwechat) groups have been created for students to share comments, ask questions and receive updated course information.
- To join these groups, please type your class code, followed by your full name and your preferred name
- i.e., 3030, Chan Tai Man, Henry