THE EDUCATION UNIVERSITY OF HONG KONG

Course Outline

Part I

Programme Title : Master of Arts in Personal Finance Education
Programme QF Level : 6
Course Title : Global Financial Market and Instruments
Course Code : BUS6031
Department : Social Sciences and Policy Studies
Credit Points : 3
Contact Hours : 39
Pre-requisite(s) : Nil
Medium of Instruction : English
Course Level : 6

Part II

The University's Graduate Attributes and seven Generic Intended Learning Outcomes (GILOs) represent the attributes of ideal EdUHK graduates and their expected qualities respectively. Learning outcomes work coherently at the University (GILOs), programme (Programme Intended Learning Outcomes) and course (Course Intended Learning Outcomes) levels to achieve the goal of nurturing participants with important graduate attributes.

In gist, the Graduate Attributes for Sub-degree, Undergraduate, Taught Postgraduate, Professional Doctorate and Research Postgraduate students consist of the following three domains (i.e. in short "PEER & I"):

- **P**rofessional **E**xcellence;
- **E**thical **R**esponsibility; **&**
- **I**nnovation.

The descriptors under these three domains are different for the three groups of participants in order to reflect the respective level of Graduate Attributes.

The seven GILOs are:

1. Problem Solving Skills
2. Critical Thinking Skills
3. Creative Thinking Skills
4a. Oral Communication Skills
4b. Written Communication Skills
5. Social Interaction Skills
6. Ethical Decision Making
7. Global Perspectives

1. Course Synopsis

This course deals with the international financial environment facing firms in a globalized economy. Participants will start by learning the role of financial markets and a wide range of financial instruments, their features and valuations. Then, participants will explore how financial markets operate in the real world, focusing on how and where securities are traded and how various market types differ from one another in practice.

2. Course Intended Learning Outcomes (CILO$_s$)

Upon completion of this course, participants will be able to:

CILO$_1$	critically examine the functions, roles and inter-relationship of financial system, global financial markets and instruments;
CILO$_2$	apply financial concepts and tools in valuation of financial instruments;
CILO$_3$	compare and contrast the major asset classes and their features of various financial instruments;
CILO$_4$	critically review different trading venues, trading mechanisms, and different types of orders in global financial market.

3. Content, CILOs and Teaching & Learning Activities

Course Content	CILOs	Suggested Teaching & Learning Activities
The different stages of the investment management process in global financial market.	*CILO$_{1,4}$*	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; online searching for updated information; group discussions
The financial concepts and tools such as time value of money, computing returns, discounting and compounding used in valuation of instruments in global financial market.	*CILO$_{2,3}$*	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; hand-on practices and calculations; group discussions
An overview of the entire financial system. The key institutional features of financial markets and instruments. The functions of financial markets. The role of global financial market.	*CILO$_{1,3}$*	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; online searching for updated information; group discussions
The basics of bond valuation. Short-term money market instruments, U.S. Treasury securities and corporate bonds. The valuation of Treasury bills, zero-coupon or coupon-bonds and	*CILO$_{2,3}$*	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; hand-on practices and

compute yields.		calculations; group discussions
The two other major asset classes: equity securities and derivative instruments. The valuation of common stock and preferred stock. derivative instruments such as options, forwards and futures.	*CILO*$_{2,3}$	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; hand-on practices and calculations; group discussions
The different trading venues in financial market. The mechanics of securities trading. The latest trends in securities trading. The different types of orders, including transactions like margin trading, forward trading and short-selling.	*CILO*$_{4}$	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; online searching for updated information; group discussions

4. Assessment

Assessment Tasks	Weighting (%)	CILO
(a) Group Project Participants (4 to 6 students) will form small groups and prepare a project report on a selected topic provided by the course instructor (3,000-3,500 words), together with an individual reflection on the topic (about 500 words) to detail their understanding and reflection on the topic	40%	*CILO*$_{1,2,3,4}$
(b) Final Examination A 3-hour examination will be conducted at the end of the course.	50%	*CILO*$_{1,2,3,4}$
(c) Participation in Class Activities Participants are expected to attend the classes and participate actively in case study discussions, presentations, and online activities	10%	*CILO*$_{1,2,3,4}$

5. Use of Generative AI in Course Assessments

Please select one option only that applies to this course:

☐ ***Not Permitted***: In this course, the use of generative AI tools is not allowed for any assessment tasks.

☑ ***Permitted***: In this course, generative AI tools may be used in some or all assessment tasks. Instructors will provide specific instructions, including any restrictions or additional requirements (e.g., proper acknowledgment, reflective reports), during the first lesson and in relevant assessment briefs.

6. Required Text(s)

Saunders, A. and Cornett, M., (2019). *Financial Markets and Institutions* (7th Edition), McGraw Hill.
Ross, S.A., Westerfield, R.W., Jaffe, J., Lim, J., Tan, R., Wong, H., (2015). *Corporate Finance Asia Global Edition*. McGraw Hill.

7. Recommended Readings

Benartzi, S., Previtero, A., & Thaler, R. H. (2011). "Annuitization puzzles." The Journal of Economic Perspectives, 25(4), 143-164.

Drake, P.P. & Fabozzi, F.J. (2009). *Foundations and Applications of the Time Value of Money*. Hoboken, N.J.: John Wiley & Sons.

Ekstrand, C. (2011). *Financial Derivatives Modeling*. Berlin, Heidelberg: Springer Berlin Heidelberg.

Fabozzi, F.J. (2015). *Capital Markets: Institutions, Instruments, and Risk Management*. Cambridge, Massachusetts: The MIT Press.

Frederick, S., Loewensten, G., & O'donoghue, T. (2002). Time discounting and time preference: A critical review. Journal of Economic Literature, 40(2), 351-401.

Kidwell, D.S., Blackwell, D. W., Sias, R.W. & Whidbee, D.A. (2012). *Financial Institutions, Markets, and Money* (11^{th} ed). Wiley.

Krichene, N. (2013). *Islamic Capital Markets: Theory and Practice*. Singapore: John Wiley & Sons Singapore Pte. Ltd.

Williams, R.T. (2012). *An Introduction to Trading in the Financial Markets, Global Markets, Risks, Compliance and Regulation*. Oxford: Academic.

Worthington, A.C. (2014). *Economic and Financial Modeling of Markets, Institutions and Instruments*. Hauppauge, New York: Nova Science Publishers, Inc.

Zhang, X. (2018). *Capital Markets Trading and Investment Strategies in China: A Practitioner's Guide*. Singapore: Springer.

8. Related Web Resources

Cornell Research – A Look at Global Financial Markets	https://research.cornell.edu/news-features/look-global-financial-markets
McKinsey & Company – The New Dynamics of Financial Globalization	https://www.mckinsey.com/industries/financial-services/our-insights/the-new-dynamics-of-financial-globalization
Money, Banking, and Financial Markets	https://www.moneyandbanking.com/
International Finance Corporation	https://www.ifc.org
Hong Kong Society of Financial Analysts	https://cfasocietyhongkong.org/
Investor and Financial Education Council	https://www.ifec.org.hk
InvestHK	http://www.investhk.gov.hk

9. Related Journals

Journal of International Money and Finance
Journal of International Financial Markets, Institutions, and Money
Financial Markets, Institutions & Instruments

Review of Quantitative Finance and Accounting
International Journal of Managerial Finance
The Review of Financial Studies
Hong Kong Economic Journal
Financial Times

10. Academic Honesty

The University upholds the principles of honesty in all areas of academic work. We expect our students to carry out all academic activities honestly and in good faith. Please refer to the Policy on Academic Honesty, Responsibility and Integrity (https://www.eduhk.hk/re/uploads/docs/00000000016336798924548BbN5). Students should familiarize themselves with the Policy.

11. Others

Nil

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