

# Chinese Financial Markets

<i>Course Code:</i>	<i>MANA170003</i>
<i>Course Title:</i>	<i>Chinese Financial Markets</i>
<i>Credit:</i>	<i>2</i>
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## Course Description

This course aims to providing the international students with an understanding of how the Chinese financial markets originated and developed, what reforms have been done, the Chinese characteristics, and challenges and difficulties in future reforms.

Starting with a comprehensive introduction, the course covers the major financial markets in China, including the central bank and the banking system, the security market and the foreign exchange market. Each market will be an individual topic, for which the instructor will first review the fundamental concepts and theories, explain the history and facts in China, compare the domestic system with that of the international, present examples and cases, and finally talk about the future reforms.

The total teaching time will be 40 teaching hours. The class will be divided into 8 groups, each of which is composed of 4-6 students. Each group will give a 30-minute presentation on a designated topic by the lecturing professor. No final exam would be set, but each student will write an individual thesis before the end of the course.

The course will be conducted in English. Textbooks, instructor's PPT files and supplementary readings will all be provided in English. Students also write their final theses in English.

## Grading

Classroom attendance and participation	20%
Classroom project presentation	30%
Final thesis (individual)	50%

## Course Schedule

Class 1: Introduction

1. Student Self Introduction
  2. Course Introduction
  3. Financial Assets, Financial Institutions, and Financial Markets
- Reading: FMJ Chapter 1

Class 2: The Central Bank and the PBoC (1)

1. Monetary Authority and Monetary Policy
  2. History and Role of People's Bank of China
- Reading: FMJ Chapter 4

Class 3: The Central Bank and PBoC (2)

1. Interpreting PBoC's Monetary Policies since 2000
  2. Student Presentations
- Reading: FMJ Chapter 5

Class 4: Banking System in China (1)

1. Depository Institutions and Basal Accord
  2. Current Chinese Banking System
- Reading: FMJ Chapter 3

Class 5: Banking System in China (2)

1. The Reform of Chinese Banking System (1994-2015)
2. Shadow Banking and Internet Finance

Class 6: Visiting Yonglibao

Class 7: The Stock Market in China (1)

1. Student Presentations on Banking System
  2. Trading Mechanism in Stock Exchange
  3. History of Chinese Stock Market
- Reading: FMJ Chapter 18

Class 8: The Stock Market in China (2)

1. NEEQ: the New Third Board
  2. The Split-Stock Reform
  3. Speculative Bubbles in the Chinese Stock Market
- Reading: FMJ Chapter 19

Class 9: FX Market and RMB Exchange Rate Reform (1)

1. Student Presentations on the Stock Market
2. Exchange Rate and Exchange Rate Regime
3. Purchasing Power Parity and Interest Rate Parity

Class 10: Individual Thesis Writing Tutoring and Q&A

Class 11: FX Market and RMB Exchange Rate Reform (2)

1. History of RMB Exchange Rate Reform
2. Foreign Exchange Market, RMB offshore Market and RMB Internationalization

Class 12: FX Market and RMB Exchange Rate Reform (3)

1. Student Presentations on
2. Course Wrap-up

Class 13: Thesis Evaluation and Comments

Teaching contents and agenda may be adjusted according to the classroom response.

**Textbook**

Foundations of Financial Markets and Institutions (4th Edition, FMJ), by Frank J. Fabozzi, Franco Modigliani, Frank J. Jones, ISBN: 978-7-111-32325-9, November 1, 2010, Pearson Education (Re-printed by China Machine Press)

Supplementary reading will be uploaded in the university eLearning system.