THE UNIVERSITY OF HONG KONG
HKU BUSINESS SCHOOL

FINA3318- China’s Financial System and Markets

GENERAL INFORMATION
Class meeting time: Monday 2.30-5.20pm
Venue: MWT3
Instructor: Professor Joe Zou
Office: KK 835

Teaching assistant: TBA
Email: TBA

Pre-requisites: FINA 1310 (Corporate Finance)

COURSE DESCRIPTION
This course is to examine and analyze the financial markets in China. The purpose is to help students form an understanding of the current state of major financial institutions, instruments, and regulations in the Chinese financial market. Particular emphasis is placed on the role of the financial system on the development and reform of economy in China, as well as the impact of Chinese government in developing the economy and financial markets. Pending issues and future directions will also be discussed.

COURSE OBJECTIVES
1. To help students understand the development and practices in China’s financial system and markets
2. To provide students with knowledge about the relevant policies and regulations in China
3. To develop students for the further progress of China’s financial system and markets

FACULTY GOALS
Goal 1: Acquisition and internalization of knowledge of the programme discipline
Goal 2: Application and integration of knowledge
Goal 3: Inculcating professionalism and leadership
Goal 4: Developing global outlook
Goal 5: Mastering communication skills

COURSE LEARNING OUTCOMES
Course Learning Outcomes Aligned Faculty Goals
CLO1 Describe the key elements of China’s financial system and markets Goals 1, 2, 5
CLO2 Analyze select industry, market and regulatory practices in China Goals 2, 3, 5

COURSE TEACHING AND LEARNING ACTIVITIES

<table>
<thead>
<tr>
<th>Course Teaching and Learning Activities</th>
<th>Expected Study Hours</th>
<th>Study Load (% of study)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T&amp;L1. Lectures</td>
<td>36</td>
<td>30%</td>
</tr>
<tr>
<td>T&amp;L2. Projects</td>
<td>36</td>
<td>30%</td>
</tr>
<tr>
<td>T&amp;L3. Case-based study and analysis</td>
<td>48</td>
<td>40%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

Assessment Methods Brief Description (Optional) Weight Aligned Course Learning

p.1
In A1, students are expected to analyze assigned questions and cases by using the knowledge learned from the course in groups.

In A2, students are expected to apply related knowledge to some given questions in an individual-based quiz.

In A3, student groups are expected to select a related topic to have an in-depth investigation. Some sample topics will be provided for reference in due course.

## STANDARDS FOR ASSESSMENT

### Course Grade Descriptors

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A+</strong>, <strong>A</strong>, <strong>A-</strong></td>
<td>Student consistently demonstrates a thorough grasp of the subject</td>
</tr>
<tr>
<td><strong>B+</strong>, <strong>B</strong>, <strong>B-</strong></td>
<td>Student frequently demonstrates a substantial grasp of the subject</td>
</tr>
<tr>
<td><strong>C+</strong>, <strong>C</strong>, <strong>C-</strong></td>
<td>Student demonstrates a reasonable grasp of the subject</td>
</tr>
<tr>
<td><strong>D+</strong>, <strong>D</strong></td>
<td>Student demonstrates acceptable grasp of the subject</td>
</tr>
<tr>
<td>F</td>
<td>Student fails to demonstrate a grasp of the subject</td>
</tr>
</tbody>
</table>

### Assessment Rubrics for Each Assessment (Please provide us the details in a separate file if the space here is not enough)

#### Assessment Task: Class participation

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A+</strong>, <strong>A</strong>, <strong>A-</strong></td>
<td>Candidates consistently contribute to class discussion of assigned topic, demonstrated the ability to introduce and analyze the topic with excellent insights and strong arguments.</td>
</tr>
<tr>
<td><strong>B+</strong>, <strong>B</strong>, <strong>B-</strong></td>
<td>Candidates frequently contribute to class discussion of assigned topic, demonstrated the ability to introduce and analyze the topic with good insights and logical arguments.</td>
</tr>
<tr>
<td><strong>C+</strong>, <strong>C</strong>, <strong>C-</strong></td>
<td>Candidates at times contribute to class discussion of assigned topic, demonstrated the ability to introduce and analyze the topic with good insights and valid arguments.</td>
</tr>
<tr>
<td><strong>D+</strong>, <strong>D</strong></td>
<td>Candidates occasionally contribute to class discussion of assigned topic, demonstrated a limited ability to introduce and analyze the topic with some fair insights and arguments.</td>
</tr>
<tr>
<td>F</td>
<td>Little participation and evidence of the ability to introduce and analyze the topic with relevant insights and arguments</td>
</tr>
</tbody>
</table>

#### Assessment Task: Mid-term quiz

Same as Course Grade Descriptors

#### Assessment Task: Final report

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A+</strong>, <strong>A</strong>, <strong>A-</strong></td>
<td>Candidates consistently demonstrated the ability to identify a very important and very interesting issue to analyze, and a thorough grasp of the subject as evidenced by an exceptionally astute analysis and synthesis, and strong problem solving ability.</td>
</tr>
<tr>
<td><strong>B+</strong>, <strong>B</strong>, <strong>B-</strong></td>
<td>Candidates frequently demonstrated the ability to identify an important and interesting issue to analyze, and a substantial grasp of the subject as evidenced by a good analysis and synthesis, and good problem solving ability.</td>
</tr>
<tr>
<td><strong>C+</strong>, <strong>C</strong>, <strong>C-</strong></td>
<td>Candidates demonstrated the ability to identify a reasonably important and interesting issue to analyze, and a reasonable grasp of the subject as evidenced by a good analysis and synthesis, and good problem solving ability.</td>
</tr>
</tbody>
</table>

...
issue to analyze, and a fair grasp of the subject as evidenced by a reasonable analysis and
synthesis, and fair problem solving ability.

D+, D Candidates demonstrated the ability to identify a relevant issue to analyze, and a limited
grasp of the subject as evidenced by a relevant but limited analysis and synthesis.

F Little evidence of the ability to identify a relevant issue to analyze, and little evidence of
the familiarity with the subject matter; weak analysis; little relevant use of knowledge.

COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

1. Overview of China’s financial system
2. Major segments of China’s financial markets
3. China’s stock markets
4. China’s monetary policies
5. Foreign exchange policies and operations
6. China’s bond markets
7. Shadow banking
8. China’s real estate market
9. FinTech in China

REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS (e.g. journals, textbooks,
website addresses etc.)

Handouts from the course instructor. It is your responsibility to download from Moodle and print the
materials for the remaining teaching weeks.

Required reading:
- Amstad, Marlene, Guofeng Sun, and Wei Xiong, 2019, The Handbook of China’s Financial
  System (the book can be downloaded for free from https://www.chinafinancialsystem.com/)
  Hereafter, it is referred to as Amstad et al. (2019) or the Handbook.
- Guest lectures delivered by the invited industry professionals

Recommended readings:
  at SSRN: http://dx.doi.org/10.2139/ssrn.3269018
  233-257. Available at SSRN: https://ssrn.com/abstract=3095976
- Hu, Xing Grace, Jun Pan, and Jiang Wang, 2019, Chinese Capital Markets: An Empirical
  Overview, Working Paper, HKU and MIT.
- Song, Zheng, and Wei Xiong, 2018, Risks in China’s Financial System, Annual Review of

The following news websites provide rich updates on China’s financial markets and economy:
2) http://scmp.com
3) https://www.ft.com/stream/dd3cc5a2-d14b-4b78-811c-89c387497476 or
   http://www.ftchinese.com/ (Chinese)

MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE

✔ conducting mid-term survey in addition to SETL around the end of the semester
✔ Online response via Moodle site
✔ Others: ___email reply to queries____ (please specify)
**COURSE POLICY** (e.g. plagiarism, academic honesty, attendance, etc.)

1. **Class Attendance**
   Attendance at ALL meetings of the course is expected. **This course is not a standard and traditional course, but seminar based**; it involves a wide spectrum of modern issues, and requires a combination of the instructor’s introduction of the requisite knowledge and students’ active participation into class discussions, news sharing, case analysis, and guest lectures. A significant assessment weighting is given to ongoing in-class activities **throughout the semester**. Therefore, class participation is important for course assessment. I plan to arrange multiple in-class assignments, which will counted towards continuous assessment.

2. **No Make-Up Tests**
   No early or late test will be given. A make-up test will only be given under exceptional circumstance with the University’s special written permission.

3. **Mobile Phones or Pagers**
   Referring to university policy, the use of mobile phones or pagers is not allowed in lecture theatres or classrooms.

4. **HKU policies on plagiarism and academic honesty apply.**

**ADDITIONAL COURSE INFORMATION** (e.g. e-learning platforms & materials, penalty for late assignments, etc.)

Moodle course