

**Hong Kong University of Science and Technology
School of Business and Management**

**FINA 132: Introduction to Financial Markets
First Semester, 2003-2004**

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Course website: webct.ust.hk
Textbook website: www.ft.com (Financial Times web site)

Lectures: Monday, Wednesday and Friday, 9am – 9:50am

Main text

Vaitilingam, Romesh, 2001, *The Financial Times Guide to Using the Financial Pages*, Prentice Hall, fourth edition.

Pre-requisite

None. This course is for students who are not enrolled in the School of Business and Management

Course description

This course is an introduction to financial markets for students who are not enrolled in the School of Business and Management. This course will cover the role and function of financial markets in the economy and the major players in financial markets-- investors, companies, financial institutions, and government. It will focus on major financial markets such as stock markets, bond and money markets, mortgage markets, currency markets, commodity markets, and futures and options markets. The course will also cover how economic conditions influence and are influenced by financial markets and will explore the role that investor psychology plays in financial markets.

Assessment

In-class examination	40%	(Chapters 1-10; Friday, October 17)
Final examination	<u>60%</u>	(Chapters 11-18; date and time to be announced)
Total	100%	

Course policies and general information:

1. Students are expected to come to class **on time** having read the assigned material.
2. Students are expected to turn their mobile phones off and to refrain from talking to one another during class lectures. Students who fail to observe these policies will be asked to leave the classroom.
3. Some class lectures will be accompanied by PowerPoint slides so that students may see as well as hear the material being presented. PowerPoint presentations may be downloaded from the class website on WebCT prior to class and printed in hard-copy form for use in class. When printing, choose “print slides” from the print menu and then select the “six-slides-per-page” and “grayscale” options. Excel spreadsheets used in class may also be posted on WebCT.
4. There will be an in-class mid-term examination on Friday, 17th October 2003, and a final examination during the university’s final examination period in December 2003. Non-programmable electronic calculators and dictionaries (hard-copy only, no electronic) may be used during these examinations. Laptop computers, mobile phones and other electronic devices may not be used. The mid-term and final examinations will count for 40 percent and 60 percent respectively of the overall course grade. If the mid-term examination is not taken for whatever reason, the final examination will count for 100 percent of the overall course grade.

FINA 132 (Introduction to Financial Markets), Semester 1, 2003-04

Course Outline and Assignment Schedule

Class	Day	Date	Topic	Textbook Chapter
1	M	01-Sep	Introduction	Introduction
			Major players	
2	W	03-Sep	Investors (risk, return, diversification, hedging, speculation)	1
3	F	05-Sep	Companies (understanding financial statements)	2
4	M	08-Sep	Companies (financing investments, M&A activity)	2
5	W	10-Sep	Depository financial institutions	3
6	F	12-Sep	Day following Chinese Mid-Autumn Festival -- no class	
7	M	15-Sep	Non-depository financial institutions	3
8	W	17-Sep	Investment bank financial institutions	3
9	F	19-Sep	Markets provided by financial institutions (SX, FX, money)	3
10	M	22-Sep	Government (G, T, business cycles, fiscal policy)	4
			Equity markets	
11	W	24-Sep	Government (monetary policy, regulation)	4
12	F	26-Sep	Evaluating the performance of individual stocks	5
13	M	29-Sep	Issuing new securities (IPOs); director dealings	5
14	W	01-Oct	National Day holiday -- no class	
15	F	03-Oct	Market indicators	6
16	M	06-Oct	US equity indicators	7
17	W	08-Oct	European equity indicators	8
18	F	10-Oct	International equity indicators (FTSE, MSCI)	9
19	M	13-Oct	Trusts and funds: the managed money markets	10
20	W	15-Oct	Revision	
21	F	17-Oct	Mid-term examination (Chapters 1-10)	
			Bond, foreign exchange and money markets	
22	M	20-Oct	Bonds and gilt markets	11
23	W	22-Oct	International capital markets	11
24	F	24-Oct	Currency and money markets	12
25	M	27-Oct	Mortgage markets	12
			Derivatives and commodity markets	
26	W	29-Oct	Futures markets	13
27	F	31-Oct	Options markets	13
28	M	03-Nov	Options markets	13
29	W	05-Nov	Commodity spot markets	14
30	F	07-Nov	Commodity futures markets	14
			Understanding the economies	
31	M	10-Nov	UK economy	15
32	W	12-Nov	European economies	16
33	F	14-Nov	North American economies	17
34	M	17-Nov	Asian economies	
35	W	19-Nov	Financial crisis of 1997	
36	F	21-Nov	Hong Kong and China economies	
			Market trading strategies	
37	M	24-Nov	Psychology of markets	
38	W	26-Nov	Fundamental analysis approach	18
39	F	28-Nov	Technical analysis approach	
40	M	01-Dec	A closer look at Hong Kong's financial markets	
41	W	03-Dec	A closer look at China's financial markets	
42	F	05-Dec	Revision	
		TBA	Final examination	