



Financial Market in China

Lecturer: YANG Mengying	Course code: 010968
Language: English	Students: International students
Inside Class Credit Hours: 34	Extracurricular class hours: 68
Semester: First	Credit: 2
Class hour: (GMT+8) 21:30-23:00, Thursday [Except the National Holiday management]	
Classroom: Tencent (VOOV) meeting ID: 324 7874 7109, Code: 2021	

1. Profile and Contact way of the Teachers

YANG MENGying, PhD, lecturer of SEM, where she lectures accounting and finance related courses for MBA and SEM's International students. She is the author of several textbooks and research articles on venture capital & private equity, accounting, etc.

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2. Course Description

The financial industry in China has developed dramatically since 1980s and it has opened up its financial market to foreign capital step by step. The pace quickened significantly in the recent years in line with its WTO commitments. This course introduces the evolution and recent development of China financial market, as well as basic knowledge of financial market. Case studies will be introduced to class to have micro understanding in this area as well as relevant macro policy making.

3. Course Objectives and Requirements

1. Course Objectives: This course is aimed at helping the students learning the fundamentals and special characteristics of China financial market, including money market, the capital market, as well as the main financial institutions in China, and be able to make necessary international comparison.

2. Requirements: Since studying is based on lecturing and class discussions, and exchanging of the students' ideas and experiences, participants will be encouraged to take active part in the class and share their experiences and questions with the class. Students are, therefore, expected to attend and participate in all class sessions.

3. Instructional methodology: The instructional methodology includes lectures, home reading, in-class discussions and presentation, exercises, and report(s) writing.



4. Course Arrangement (might be slightly adjusted during the term)

Week	Date	Topics	Preparation
1	Sep-9	Introduction to the course and financial market	
2	Sep-16	Money and Credit	The essence of money The function of money
3	Sep-23	Interest rate and Forex rate	
4	Sep-30	Central Bank	PBoC
5	Oct-9 SAT	Commercial banks and the banking reform I	Banking system and the big banks in China Case: Bank of America and the Chinese Credit Card Market
6	Oct-14	Commercial banks and the banking reform II	
7	Oct-21	Capital market I	Case: Stock Reform of Shenzhen Development Bank
8	Oct-28	Capital market II	
9	Nov -4	Mutual fund	Case: Zenglibao - an Internet Money Market Fund Run by Tianhong Asset Management Co.
10	Nov-11	Money Market	
11	Nov-18	Derivatives market	Case: Structured Products for Retail Investors: Bank of China and the Negative Oil Price
12	Nov-25	Financial innovation and supervision I	
13	Dec-2	Financial innovation and supervision II	Case: Ping An: How A Chinese Insurance Firm Became A Tech Giant (A)
14	Dec-9	Flexible class/ Hot topics	
15	Dec-16	Group presentation	
16	Dec-23	Q&A for reviewing	
17	Dec-30	Final Assignment submission (No lecturing)	

5. Teaching Methods

Lectures, Discussions, Case Analysis, etc.

6. Learning Outcomes Expect

Category	Learning Outcomes
Master of Knowledge	<ol style="list-style-type: none"> 1. Evolution of China financial market. 2. Institution, instruments and major players of China financial market. 3. Recent reforms of China financial market. 4. Familiar with China money and capital market; comparing with western countries.
Intellectual abilities learned	<ol style="list-style-type: none"> 1. Ability to make international comparison of financial markets. 2. Ability to understand and analyze the relationship between politics, economy and the development of financial market.
Practical skills learned	<ol style="list-style-type: none"> 1. Skills of setting micro financial strategies. 2. Basic skills of security investment.
Personal competences and characters Cultivated	<ol style="list-style-type: none"> 1. The competence of thinking questions by using globalization view and the idea of sustainable development 2. The competence of critical acceptance of knowledge and innovative 3. The competence of planning and risk management 4. The team spirit of cooperation

7. Performance Evaluation: Means & Ratio

Components	Percentage of final grade
Class participation	25%
Homework for cases	30%
Group presentation	20%
Final assignment	25%

Class participation (25%)

Students are expected to attend and participate in all class sessions. This will be allocated by the lecturer on the basis of commitment & involvement in class discussion – this is not to be confused with excessive ‘airtime’!

Exception: Compensation for class participation. For session(s) unable to attend for justified reasons, please contact the lecturer to make up and necessary additional homework will be given.

Homework for cases (30%)

There are five required cases. For each case assigned for class discussion (see Schedule,



refer to “4”), students will be asked to submit their response to the preparing questions to yangmengying@tongji.edu.cn no later than the **Tuesday** before that case being discussed in class. Late submission will receive up to half of the score allocated.

No required format or length. Just to be sharp and clear. Bullet points, tables or charts will all do. Should you have external references, please give a list at the end.

Group presentation (20%)

In self-organised groups (four groups in total), students will be asked to prepare a presentation on self-selected topics which falling in the course fields. Details refer to “9”.

Final assignment (25%)

Refer to “10”.

8. Reading Materials

1) Lecture notes

2) Cases

- [1] Charles Dhanaraj et al, *Bank of America and the Chinese Credit Card Market*, IVEY 910M55, 2010
- [2] LI JIN, *Stock Reform of Shenzhen Development Bank*, HBS 9-211-080, 2011
- [3] F. Warren McFarlan, *Zenglibao - an Internet Money Market Fund Run by Tianhong Asset Management Co.*, TU0068, 2014
- [4] Huiyan Qiu & Tsun-kan Wan, *Structured Products for Retail Investors: Bank of China and the Negative Oil Price*, HBP#HK1258, 2020
- [5] Howard H. Yu et al, *Ping An: How A Chinese Insurance Firm Became A Tech Giant (A)*, IM1072, 2020

3) Books

- [1] Frederic S. Mishkin & Stanley G. Eakins, *Financial Markets and Institutions* (English Edition • 8th Edition), Beijing: China Renmin University Press, 2018.6
- [2] LI Jian. *金融学(Finance)*, 3e, Beijing: Higher Education Press, 2019.12
- [4] WANG Yuru. *中国经济史(Economic History of China)*, Beijing: Higher Education Press, 2019.1

4) Online resources

<http://www.pbc.gov.cn/> (<http://www.pbc.gov.cn/en/3688006/index.html>)
<http://www.cbirc.gov.cn/en/view/pages/>
http://www.csrc.gov.cn/pub/csrc_en/
<http://www.safe.gov.cn/en/>
<http://www.chinamoney.com.cn/english/>
http://www.chinaclear.cn/english/en_index.shtml

<http://www.shibor.org/>
<http://english.shclearing.com/>



<http://www.shfe.com.cn/en/>

<http://www.ine.cn/en/>

<https://www.en.sge.com.cn>

<http://english.caijing.com.cn>

<http://www.lib.tongji.edu.cn/>

9. Group assignment Requirements

In groups, please choose a topic fallen into the class field, and present in class.

Topic:

- a) a description, analysis and comment on an issue of China's financial market; OR
- b) a comparison of some certain issue in financial market of your home country and that of China.

Possible ones:

- ☐ An interesting story/issue about one of the financial players in China
 - ☐ Ant Group: targeted poverty alleviation,
 - ☐ Ant Group: power of the capital and the regulation
- ☐ An interesting financial player in China
 - ☐ Any one of the Big Four SOBs
 - ☐ Ping An (from an insurance company to a financial giant)
 - ☐ BAT, JD Finance, or other similar ones
- ☐ China's Stock exchange reform/development
 - ☐ Shanghai-Hongkong Stock Connect
 - ☐ Shenzhen-Hongkong Stock Connect
 - ☐ Shanghai-London Stock Connect
 - ☐ STAR
 - ☐ Reform of ChiNext
 - ☐ Beijing New Third Board Exchange
 - ☐ Reform of HKEX
- ☐ Internationalisation of China's Financial industry
 - ☐ China selling sovereign bonds to Europe
 - ☐ Panda Bonds
 - ☐ China increasing the high-level opening of the financial
 - ☐ The first A-share derivatives product, a futures contract based on the MSCI China A 50 Connect Index, will be launched in October 2021 by HKEX and Clearing.
 - ☐ SDR
 - ☐ RMB
 - ☐ Crude oil futures traded in INE Shanghai
- ☐ Financial innovation and/or regulation
 - ☐ P2P
 - ☐ FinTech...
 - ☐ DCEP
- ☐ Financing for SMEs



- Financing for the BRI
- Green finance...
- Comparison
 - *xxx comparison btw your home country/region and China, for example,*
Comparing the monetary policy in the covid-19 pandemic of the United States and China

Submission deadline:

14th December, 2021 [presentation document submit to yangmengying@tongji.edu.cn]

Presentation date:

16th December, 2021 [Present in class]

Presentation length:

10-15 minutes; no more than 20 minutes altogether with Q&A.

Evaluation criteria:

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|--|-----|
| 1) Whether the event/issue is closely linked to the class topics | 10% |
| 2) Whether the event/issue is clearly introduced | 30% |
| 3) Whether the analysis and comment are logical
(unique findings and sharp insights are welcome) | 50% |
| 4) Whether interest is generated in class | 10% |

10. Final Report

Requirements:

In pairs, please write a complete formal article on a topic relevant to the China Financial Market, with a suitable title, abstract, table of contents, proper citations/references, etc.

Length: no more than 5,000 words.

Deadline: 30th December, 2021 to yangmengying@tongji.edu.cn.

The same topic of your presentation is encouraged. A relevant pure literature review is also acceptable.

Please give your article an appropriate title, for example: *WeChat Pay: Bringing Social Networking into integrated multifunctional fin platform.*