

Nanyang Business School, NTU

BC3402: Financial Service Processes and Analytics

Tutorial 1: Overview of Information Systems in Financial Services

Question 1

In 2010, the Tokyo Stock Exchange rolled out a new trading system (see the article: “Tokyo bourse launches new trading system”). Read the article and answer the following questions.

- a) Despite the historical technical difficulties faced by the Tokyo Stock Exchange (TSE), why do you think the exchange decide to go ahead with the upgrades?
- b) What are the potential benefits of having such a new system?
- c) What are some of the risks involved with such a system?
- d) In 2018, the Singapore Exchange (SGX) updated their new high-speed trading engine. What is the name of this new trading engine? What are its key characteristics? Why do you think SGX decide to invest in this new system? In what ways are these motivations similar to or different from those faced by TSE?

Question 2 (Case Study): History of Exchanges - The NYSE vs. NASDAQ

For this question refer to the Harvard Business Case entitled “The New York Stock Exchange versus NASDAQ”.

- a) What are the main differences between NYSE and NASDAQ in terms of their operations?
- b) What are some of the challenges faced by NYSE and NASDAQ during the time this article was written (2003)?
- c) What are some of the challenges faced by NYSE and NASDAQ now? How do you think information technology will help address these challenges?