



Lahore University of Management Sciences

FINN 243 – Fintech Revolution

Summer 2023-2024

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| Instructor | Syed Hashim Mahmood Ali |
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| Office Hours | |
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| Secretary/TA | Sharha Mumtaz |
| TA Office Hours | |
| Course URL (if any) | |

Course Teaching Methodology (Please mention following details in plain text)

- Teaching Methodology: Lectures will be in person

Course Basics

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|---------------------------|------------------------|---|----------|--------|
| Credit Hours | 3 CH | | | |
| Lecture(s) | Nbr of Lec(s) Per Week | 4 | Duration | 75 Min |
| Recitation/Lab (per week) | Nbr of Lec(s) Per Week | | Duration | |
| Tutorial (per week) | Nbr of Lec(s) Per Week | | Duration | |

Course Distribution

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|----------------------------|---------------------------|
| Core | |
| Elective | Yes |
| Open for Student Category | Sophomore/Juniors/Seniors |
| Close for Student Category | |

COURSE DESCRIPTION

Course Description: Fintech involves the use of technology, particularly information technology to transform the way finance is carried out in global markets. Fintech uses technology to modify, enhance, or automate financial services for businesses or consumers. Goal is to make financial services more accessible and generally affordable for all. While the news is full of game changing startups that are revolutionizing numerous pillars of the global economy, Fintech as an industry has become a mainstay that is powering the new digital transformation. The course is ideal for students who are curious about the world of global finance and would like to understand what changes will drive its outlook in the coming years.

At the end of 2015 Forbes concluded:

The banking industry is ripe for change with the rise of fintech startups, the growing popularity of blockchain technology, and the dominance of millennials. The industry is evolving and the ever-increasing need to prepare for cybersecurity threats remains top of mind, as banks continue evaluating new threats and potential fraud risks.

<https://www.forbes.com/sites/frankorrentino/2015/11/20/heard-at-the-2015-aba-national-convention/#252105b65cba>

The birth and rise of FinTech is deeply rooted in the financial crisis, and the erosion of trust it generated. People's anger at the banking system was the perfect breeding ground for financial innovation. Good timing, because digital natives (a.k.a. millennials) were becoming old enough to be potential customers and their preferences pointed to the mobile services they understood and mastered, instead of bankers they could not relate to. In this favorable landscape, FinTech providers came in, offering new and fresh services at lower costs, through well-designed platforms or mobile apps. (Chishti, Susanne Barberis, Janos - The FINTECH Book The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries (2016, John Wiley & Sons))

The Course is divided into 5 sections:



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Module 1: Startups and Intro to Fintech
 Module 2: Money and Payments in the digital age
 Module 3: Digitization of finance
 Module 4: Upcoming Trends. Regulatory impact, Big Data and Blockchain.
 Module 5: Start up Valuation

COURSE PREREQUISITE(S)

- Principles of Finance

LEARNING OUTCOMES

- After completion of this course, students should be able to:
- 1) Understand the key concepts involved in the transformation of brick and mortar financial products into the new Fintech products wave.
 - 2) Break down “Fintech” as a concept and grasp its impact on the financial industry landscape
 - 3) Grasp the importance of the industry for the developing world through real world product/company examples
 - 4) Analyze the business models driving the influx of investment and interest in this sphere
 - 5) Understand how there is no “one size fits all” solution in financial product development which has become a core mantra for Fintech firms
 - 6) Understand the impact of regulatory environment on innovation. Look at big data and block chain as future drivers of product innovation.
 - 7) Grasp the calculations involved in valuing startups and the key financial instruments that are utilized in the investment process

UNDERGRADUATE PROGRAM LEARNING GOALS & OBJECTIVES

General Learning Goals & Objectives

Goal 1 –Effective Written and Oral Communication

Objective: Students will demonstrate effective writing and oral communication skills

Goal 2 –Ethical Understanding and Reasoning

Objective: Students will demonstrate that they are able to identify and address ethical issues in an organizational context.

Goal 3 – Analytical Thinking and Problem-Solving Skills

Objective: Students will demonstrate that they are able to identify key problems and generate viable solutions.

Goal 4 – Application of Information Technology

Objective: Students will demonstrate that they are able to use current technologies in business and management context.

Goal 5 – Teamwork in Diverse and Multicultural Environments

Objective: Students will demonstrate that they are able to work effectively in diverse environments.

Goal 6 – Understanding Organizational Ecosystems

Objective: Students will demonstrate that they have an understanding of Economic, Political, Regulatory, Legal, Technological, and Social environment of organizations.

Major Specific Learning Goals & Objectives

Goal 7 (a) – Program Specific Knowledge and Understanding

Objective: Students will demonstrate knowledge of key business disciplines and how they interact including application to real world situations. (including subject knowledge)

Goal 7 (b) – Understanding the “science” behind the decision-making process (for MGS Majors)



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Objective: Students will demonstrate ability to analyze a business problem, design and apply appropriate decision-support tools, interpret results and make meaningful recommendations to support the decision-maker

GRADING BREAKUP AND POLICY

Assignment(s):
Home Work:
Quiz(s): 30%
Class Participation(Specified Lectures): 15%
Attendance: 0%, SDSB Attendance policy will be followed
Midterm Examination: 0%
Term Paper/Project: 35%
Final Examination: 20%

EXAMINATION DETAIL

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|--------------|---|
| Midterm Exam | Yes/No: No Combine Separate: Duration: Preferred Date: Exam Specifications: |
| Final Exam | Yes/No: Yes Combine Separate: Duration: Exam Specifications: |

| Session | Session Topic | Reading Material | Session Outcome |
|---|---|--|-----------------|
| Module 1: Startups and Intro to Fintech | | | |
| 1 | Introduction to the Course and the Instructor. | None | None |
| 2 | Fintech takes root. Historical context for the emergence of Fintech | Articles/Press Briefings/Product Demos will be shared prior to the session | |



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| 3-4 | Fintech and its impact in today's world. Examples of key players with investment raised | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| Module 2: Money and Payments in the Digital Age | | | |
| 5 | Transformation of Banks | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 6 | New entrants to Banking | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 7-8 | Payments and Remittances | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 9-10 | Next gen commerce. How e commerce is transforming retail coupled with the elimination of cash from the purchase process | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| Module 3: Digitization of Finance | | | |
| 11 | Digital Lending | Articles/Press Briefings/Product Demos will be shared prior to the session | |



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| 12 | Crowd funding and crowd investing | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 13-14 | Wealth management and Insur-tech | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| Module 4: Upcoming Trends | | | |
| 15-16-17 | Block chain, distributed ledgers and Big Data | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 18 | Block chain use cases, coins, smart contracts etc. | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 19-20 | ICO and its impact of fund raising | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 21-22 | Regulatory environment; catalyst for change or impediment | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| Module 5: Start up Valuation | | | |
| 23-24 | Startup investment ecosystem and lifecycle stages. Roles of accelerators, angel investors and VCs | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 25-26 | Valuation process and quantitative process. Pre money vs Post money stages | Articles/Press Briefings/Product Demos will be shared prior to the session | |
| 27-28 | Project Presentations | None | |

| Textbook(s)/Supplementary Readings |
|---|
| <p>Textbook 1: The FINTECH Book: The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries Susanne Chishti, Janos Barberis</p> <p>Textbook 2: Fintech in a Flash: Financial Technology Made Easy Agustin Rubini</p> <p>Supplementary Readings: The Lean Start up, Eric Reis</p> <p>ValueWeb: How Fintech firms are using mobile and blockchain technologies to create the internet of value Chris Skinner</p> |



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