

Finance Course Syllabus (3 credit hours)

(1) Teacher: Lily Yan, Email: llyanll@163.com

(2) Q&A time and place: every Thursday morning, session 1-2, College Building 3, 204.

(3) Composition of grades: tentatively 30% for regular grades + 70% for the final examination. Adjustments will be made according to the actual situation if there is an epidemic.

Course name: Finance

This course consists of 20 chapters, which take the open economy as the environment and the real economy as the basis, and derive the supply and demand of finance from the financial activities of each economic entity; clarify the correlation among the basic elements, such as money, credit and its price; take financial institutions and financial markets as the carriers, and explain the basic principles of financial operation; and take the interest rate as the link connecting the microfinance and macrofinance, and explain the mechanism of its action; Taking financial aggregate and structural equilibrium as the goal, discussing the theory and practice of macrofinance; taking macro-control and financial regulation as the guarantee, studying the soundness and efficiency of financial development. The basic logic of the entire course can be represented in figure 1, which can be further divided into six modules:

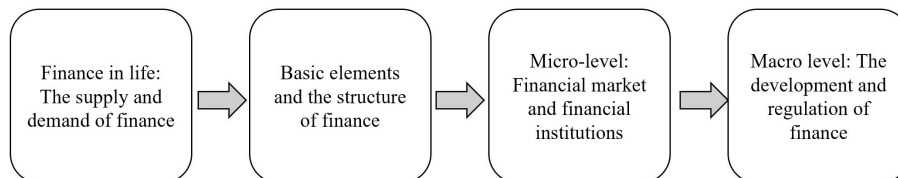


Figure 1 Basic Logic Diagram of the Program

Module 1 Introduction Unit 1 Finance in life: from the financial activities of economic agents

Teaching objectives and requirements

1. To understand the role of finance in socio-economic development;
2. To understand the financial activities of various economic agents and the relationship between residents, non-financial enterprises, and governmental and other sectors and financial institutions;
3. Master the basic components of the modern financial system.

Keynote content:

Introduction Financial transactions of socio-economic agents and their relationships

Section 1: Residents' Financial Management and Finance

Section 2: Financial Activities of Enterprises and Finance

Section 3: Government's Financial Income and Expenditure and Finance

Section 4: Basic components of a modern financial system

Module 2: Basic Scope of Finance Unit 1 Money and Monetary System

Teaching objectives and requirements

- 1, to understand the history of the emergence and development of money, to understand the doctrine of the origin of money in China and abroad, to master Marx's doctrine of the origin of money; to understand the evolution of the form of money, to recognize the characteristics of the various forms of money, focusing on mastery of the form of credit money and its characteristics;
2. Master the basic functions of money in the modern economy, understand the various roles of money, and understand the controversy between currency neutrality and non-neutrality
- 3, understand the significance and basis of the division of monetary hierarchy, understand the content of the division of the monetary hierarchy of Western countries, focusing on mastering the division of the monetary hierarchy of China; master the relevant concepts of monetary measurement and statistical analysis of the economic significance;
4. Master the meaning of the monetary system and understand the composition of the monetary system;
- 5, master the main types of national monetary system, understand the evolution of the national monetary system; understand China's current monetary system, master the issuance of RMB procedures;
6. To understand the evolution of the international monetary system, to master the content of the Jamaican system; to understand the formation and development process of the regional monetary system, to understand the European Monetary Union and several other major regional monetary system.

Keynote content:

Section 1 - The Emergence of Money and the Evolution of the Forms of Money

Section 2 - The Functions and Role of Money

Section 3 - Hierarchy and Measurement of Contemporary Credit Money

Section 4: The Monetary System

Module 2: Fundamental Areas of Finance Unit 2 Exchange Rates and Exchange Rate Systems

Teaching objectives and requirements

- 1, understand the meaning of foreign exchange, master the concept of exchange rates and the types of exchange rates;
2. Understand the determinants of exchange rates under different currency regimes and grasp the main elements of various exchange rate theories;
3. Understand the main effects of exchange rates in the economy and the conditions under which they work, and understand exchange rate risk and its manifestations;
4. Understand the content and characteristics of different exchange rate regimes; understand the evolution of the exchange rate regime, focusing on the institutional arrangements for the RMB exchange rate and its changes.

Keynote content:

Section 1 - Foreign Exchange and Exchange Rates

Section 2 - Theories of exchange rate determination

Section 3 - Effects of Exchange Rates and Exchange Rate Risk

Section 4: Arrangements and Evolution of Exchange Rate Regimes

Module 2: Basic Scope of Finance Unit 3 Credit and Credit Systems

Teaching objectives and requirements

1. To grasp the different meanings of credit and the relationship between credit and money; to understand the relationship between credit, money, and the formation of financial categories;
2. To understand the history of the emergence and development of credit and its evolution, and to grasp the characteristics and role of usurious credit;
3. Master the basis and characteristics of modern credit activities, understand the relationship between the modern economy and credit, and understand credit risk and its impact;
4. To understand the types and characteristics of forms of credit, and to understand the forms of credit and their development in China;
5. Understand the composition of the modern credit system and the construction and development of China's credit system.

Keynote content:

Section 1 - Overview of credit

Section 2. Forms of Credit

Section 3. Credit systems

Module 2: Fundamental Areas of Finance Unit 4 Time Value of Money and Interest Rates

Teaching objectives and requirements

1. Understand the source of interest from the substance, and understand the relationship of interest to the time value of money and the law of capitalization of earnings;
- 2, master the two methods of calculating interest, master the classification of interest rate and its relationship with the rate of return;
3. Understand the determinants of interest rates and master the theory of interest rate determination; master other factors affecting changes in interest rates;
- 4, grasp the general role of interest rates, understand the role of interest rates in the environment and conditions; understand the significance of the marketization of interest

rates in China and the process.

Keynote content:

Section 1: Time Value of Money and Interest

Section 2: Classification of interest rates and their relationship with the rate of return

Section 3: Determination of Interest Rates and its Influencing Factors

Section 4 The role of interest rates and its performance

Module 2: Fundamental Areas of Finance Unit 5 Financial Assets and Prices

Teaching objectives and requirements

1, grasp the meaning and classification of financial instruments and financial assets, understand the relationship between the return and risk of financial assets, understand the allocation and combination of financial assets;

2, master the price of financial assets and its types, understand the basic methods of financial asset value assessment

3. Understand the principles of financial asset pricing;

4. Understand the relationship between financial asset prices and interest rates and exchange rates.

Keynote content:

Section 1: Financial Instruments and Financial Assets

Section 2: Prices of Financial Assets

Section 3: Pricing of Financial Assets

Section 4: Relationship between Financial Asset Prices and Interest Rates and Exchange Rates

Module 3: Financial Markets Unit 1 Financial Markets and Financial Structure

Teaching objectives and requirements

1. To understand the relationship between investment and financing activities and financial markets and the current status of financial investment development;

2. To understand the types and causes of international capital flows and the role of international financial markets in the process of economic development;

3, master the classification of the financial market and the components of the financial market, to understand the history of the development of the financial market system, the composition of the financial market system and the development and current situation of China's financial market system;

4. Master the functions of financial markets and understand the conditions under which financial markets function.

Keynote content:

Section 1: Overview of investment and financing activities and international capital flows

Section 2: Classification of Financial Markets and Their Components

Section 3. Functions of Financial Markets and Their Utilization

Module 3: Financial Markets Unit 2 Money Markets

Teaching objectives and requirements

1. Master the characteristics and functions of the money market;

2, grasp the meaning of interbank lending, understand the function of the interbank lending market, understand the varieties of interbank lending and interest rate characteristics, understand the development of China's interbank lending market;

- 3, grasp the meaning of repurchase agreement and reverse repurchase agreement, understand the function of the repurchase agreement market, understand the difference between interbank lending and repurchase agreement, understand the participants of the repurchase agreement, varieties and interest rate characteristics, understand the development of China's repurchase agreement market;
- 4, understand the function, characteristics and issuance of treasury bills, understand the development of China's treasury bill market;
- 5, grasp the meaning of commercial paper, banker's acceptances, understand the issuance and circulation of commercial paper, understand the meaning of bill discounting, rediscounting, understand the development of China's central bank notes;
6. Grasp the characteristics and functions of large negotiable time deposits, understand the reasons for the emergence and development of the large negotiable time deposit market, and understand the development of China's large negotiable time deposit market;
7. Understand the meaning of the international money market, understand the history of the emergence and development of the European money market, understand the London interbank lending market and LIBOR interest rates, and the European commercial paper market.

Keynote content:

Section 1: Characteristics and Functions of the Money Market

Section 2: Interbank Lending Market

Section 3: Repurchase Agreement Market

Section 4: Treasury Bill Market

Section 5: Note Market

Section 6: Large Negotiable Time Deposit Market

Section 7: International Currency Market

Module 3: Financial Markets Unit 3 Capital Markets

Teaching objectives and requirements

- 1, grasp the meaning, characteristics and functions of the capital market, understand the development of China's capital market;
- 2, understand the participants in the securities issuance market, master the advantages and disadvantages of different securities issuance methods, understand the conditions for the issuance of stocks and bonds;
3. Understand the functions of the different participants in the securities circulation market and the procedures of securities trading, and grasp the characteristics of the organization of securities circulation;
4. Understand the main methods of capital market investment analysis;
5. Understand the meaning and measurement of the internationalization of the capital market, understand the development history and evolution trend of the major international capital markets, master the trend and characteristics of the internationalization of China's capital market, and understand the coping strategies of internationalization risks.

Keynote content:

Section 1 - Overview of Capital Markets

Section 2 - Securities Issuance and Distribution Markets

<p>Section 3 Investment Analysis of Capital Markets</p> <p>Section 4 - Internationalization of Capital Markets</p>
<p>Module 3: Financial Markets Unit 4 Derivatives Markets</p> <p><i>Teaching objectives and requirements</i></p> <ol style="list-style-type: none"> 1, grasp the meaning and classification of derivatives, grasp the meaning, characteristics and types of derivatives such as convertible bonds, warrants, forwards, futures, swaps, etc., grasp the basic characteristics of derivatives, understand the emergence of derivatives and the course of development of derivatives, understand the development of derivatives in China; 2, master the meaning and role of forward foreign exchange transactions, master the meaning and function of the forward interest rate agreement; 3, grasp the difference and connection between futures trading and forward trading, understand the process of futures trading, understand the main futures markets at home and abroad; 4. Master the characteristics and functions of options trading; 5. Understand the principles of swap trading and master the functions of swap trading; 6. Understand the principles of derivatives pricing. <p><i>Keynote content:</i></p> <p>Section1 - Overview of Derivatives</p> <p>Section 2 - Derivatives Markets and Trading</p> <p>Section 3 - Pricing of Derivatives</p>
<p>Module 4: Financial Institutions Unit 1 System of Financial Institutions</p> <ol style="list-style-type: none"> 1. To understand the emergence of financial institutions and to recognize the reasons for their existence; 2. Understand the main classifications of financial institutions; 3. To master the main functions of financial institutions and to understand the operational peculiarities of financial institutions; 4. To master the operating system of financial institutions and its evolution; 5, to understand the general composition of the financial institutions system and development trend, to understand the current financial institutions system in mainland China, to recognize the characteristics of the development of financial institutions in Hong Kong, Macao, Taiwan; 4. To grasp the composition of the system of international financial institutions and to understand the role of the major international financial institutions. <p><i>Keynote content:</i></p> <p>Section 1: The emergence and functions of financial institutions</p> <p>Section 2: Composition and Development of the Financial Institution System</p> <p>Section 3: China's Financial Institutions System</p>
<p>Module 4: Financial Institutions Unit 2 Depository Financial Institutions</p> <p><i>Teaching objectives and requirements</i></p> <ol style="list-style-type: none"> 1, by recognizing the emergence and development of depository financial institutions, grasp the banking industry overview, and understand the types of depository financial institutions. 2. Recognize the similarities and differences between depository financial institutions and

banking financial institutions.

3. know the main forms of organization and organizational structure of commercial banks, master the main business content of commercial banks, and understand the content and methods of business management of commercial banks.

4. Recognize the characteristics and types of policy banks, understand the business operations of policy banks, and grasp the role of policy banks in economic development.

Keynote content:

Section1 - Types of Depository Financial Institutions and Principles of Operation

Section 2 - Commercial Banks

Section 3 - Policy Banks

Module 4: Financial Institutions Unit 3 Non-Depository Financial Institutions

Teaching objectives and requirements

1. Recognize the similarities and differences between non-depository financial institutions and non-bank financial institutions.

2. To recognize and understand the operating characteristics and role of insurance companies and their development trends.

3. Understand the main business of a securities firm and its main role.

4. Understand the characteristics and role of investment fund management companies, and master the main types of investment funds and operating principles.

5. Understand and master the operational characteristics, role and main types of business of trust companies and financial leasing companies.

6. Understand the profile of other non-depository financial institutions such as financial guarantee companies and automobile financial service companies.

Keynote content:

Section 1. Types and development conditions of non-depository financial institutions

Section 2. Investment Financial Institutions

Section 3. Insurance Financial Institutions

Section 4: Other Non-Depository Financial Institutions

Module IV: Financial Institutions Unit 4 Central Banks

Teaching objectives and requirements

1. To recognize and understand, as a whole, the emergence and development of central banks and their position and role in the market economy.

2. Recognize the types of central banking system and grasp the nature and functions of central banks.

3. Recognize the asset-liability relationship of the central bank, and master the structure and analysis of the balance sheet of the central bank.

4. Combined with the basic principles of central banking, deeply understand the status and role of China's central bank in economic development.

5. Understand the formation and development of central bank clearing operations, master the meaning of central bank clearing operations, types and role of payment clearing system.

Keynote content:

Section 1. Evolution and Types of Central Banks

Section 2. Nature and Functions of Central Banks
 Section 3. Business operations of the Central Bank
 Section 4: Operational norms of the Central Bank and its relationship with different parties

Module 5: Money Supply, Demand and Equilibrium Unit 1 Demand for Money

Teaching objectives and requirements

1. To understand the meaning of money demand; to understand that money demand is influenced and constrained by a series of factors: to understand the macro- and micro-analytical perspectives of money demand; to grasp the nominal and real money demand; and to grasp the quantitative and structural aspects of money demand;
2. Master the background, framework, conclusions and policy ideas of the major theories of money demand; master the theoretical development and evolution;
- 3, to understand the characteristics of China's demand for money before the reform and opening up; to master the characteristics of China's demand for money after the reform and opening up and the main factors affecting it; to understand the trend of China's money circulation velocity.

Keynote content:

Section1 - Meaning and Analytical Perspective of Money Demand
 Section-2 Development of Money Demand Theory
 Section 3 Analysis of China's Money Demand

Module 5: Money Supply, Demand and Equilibrium Unit 2 Money Supply

Teaching objectives and requirements

- 1, master the modern credit money supply mechanism and economic mechanism; understand the supply process links, characteristics, the main economic agents involved;
- 2, master deposit reserves, the role of base money; deep understanding and master the central bank to put and control the main ways and means of base money; understanding and deposit reserves, compared with the central bank can be more effective in regulating the mechanism of base money;
3. To master the mechanism of creating money in commercial banks and deposits;
4. Deep understanding and knowledge of the basic model of money supply, the money multiplier and the factors affecting it;
5. Understand the quantitative limits and control of the money supply; understand the endogenous and exogenous aspects of the money supply;
6. Combined with data analysis, understand the main ways and characteristics of China's base money injection and regulation in recent years; understand the growth trend of China's money multiplier and the influencing factors.

Keynote content:

Section1 - The Supply of Modern Credit Money
 Section 2 - Base money
 Section 3 - Commercial Banks and the Creation of Deposit Money
 Section 4 - The Monetary Multiplier and the Money Supply
 Section 5 -Quantity Bounds and Control of the Money Supply

Module 5: Money Supply, Demand and Equilibrium Unit 3 Monetary Equilibrium

Teaching objectives and requirements

1. Understand the economic meaning of money supply and demand equilibrium and imbalance; grasp the link between money supply and demand equilibrium and aggregate supply and demand equilibrium;
2. To master the content of the main balance of payments accounts, the main methods and principles of balance of payments statistics; to understand the performance of balance of payments equilibrium, its causes, response and regulation; to master the impact of balance of payments imbalance on the supply and demand of money, aggregate supply and demand; to understand the management of international reserve assets;
3. To master the characteristics, classification and measurement of inflation; to understand the socio-economic impact of inflation; to understand the Phillips curve and its policy implications; to master the causes and management of inflation;
4. Master the characteristics, classification and measurement of deflation; understand the socio-economic impact of deflation; understand the causes and management of deflation and inflation;
- 5, combined with data analysis, understanding of China's occurrence of several significant inflation, deflation, the main causes, impact and governance.

Keynote content:

Section 1. Monetary supply and demand equilibrium and aggregate supply and demand equilibrium

Section 2. Balance of Payments and its Equilibrium

Section 3: Monetary Equilibrium in an Open Economy

Section 4: Inflation

Section 5: Deflation

Module 6: Financial Regulation and Supervision Unit 1 Monetary Policy

Teaching objectives and requirements

- 1, grasp the framework of monetary policy, understand the mechanism of monetary policy regulation; understand the formation of monetary policy objectives, the main content and the relationship between the objectives, grasp the choice of China's monetary policy objectives;
2. Understand operational and intermediary indicators of monetary policy; understand and analyze financial variables that can be used as operational and intermediary indicators of monetary policy; grasp the choice of operational and intermediary indicators of monetary policy in China;
3. Recognize and understand the types and meanings of monetary policy tools; analyze and understand the advantages and limitations of these tools; grasp the history and evolution of China's choice of monetary policy tools;
4. Understand the theoretical analysis of the monetary policy transmission mechanism and the main links; understand the definition of the time lag of monetary policy and the influence of the effect; recognize the basic situation of China's monetary policy transmission mechanism;
5. Understand the commonalities and differences between monetary policy and fiscal policy, and understand the coordination of the two; analyze the cooperation and effects of monetary policy and fiscal policy in different economic backgrounds and development stages in China.

Keynote content:

Section 1: Mechanisms and Objectives of Monetary Policy

Section 2: Operational and Intermediary Indicators of Monetary Policy

Section 3: Monetary Policy Tools

Section 4: Monetary Policy Transmission Mechanism

Section 5: Coordination between Monetary Policy and Fiscal Policy

Module 6: Financial Regulation and Supervision Unit 2 Financial Regulation

Teaching objectives and requirements

1. Recognize the concept of financial regulation, understand the necessity and role of financial regulation; master the objectives, principles and composition of the system of financial regulation;
2. Understand the characteristics and types of financial risks and analyze the relationship between financial regulation and financial risks; understand the relationship between financial regulation and financial innovation;
3. Understand the types and historical changes of financial regulatory systems, master and analyze the financial regulatory systems of the United States, the United Kingdom and Japan; master and analyze the development and evolution of China's financial regulatory system;
4. Recognize and appreciate the main means and methods of financial regulation, and understand the necessity and main content of the regulation of the banking, securities and insurance industries.

Keynote content:

Section1- Principles of financial regulation

Section 2. Institutions of financial regulation

Section 3. Enforcement of financial regulation

Module 6: Financial Regulation and Supervision Unit 3 Financial Development

Teaching objectives and requirements

1. To understand the relationship between financial development and economic development, and to analyze the determination of economic development on financial development and the important position and driving role of financial development in economic development;
2. Understand the possible adverse effects of financial activities on economic development, and analyze the emergence and destructiveness of adverse effects from three aspects: uncontrolled financial aggregates, high risks in the financial sector and excessive financial innovation;
- 3, master the meaning and main performance of financial innovation, analyze the causes of financial innovation; and understand the contemporary financial innovation on economic development to promote the role of negative effects and challenges;
4. Understand the meaning and manifestations of financial structure and the conditions underlying its formation;

Keynote content:

Section 1. Financial development and economic development

Section 2. Financial innovation and financial development

Section 3. Financial structure and financial development