

SYLLABUS

1. COURSE INFORMATION

- 1.1 Course title: **FINANCIAL MARKETS** Course code: FINA3320
1.2 Provided by: School of Advanced Study
1.3 Credits: 03
Self-study hours: 90 hours

2. COURSE OVERVIEW

The Financial Market course is designed as a general course for the Banking and Finance bachelor program that provide theoretical knowledge that underlies the study of specialized subjects. This course equips students with general knowledge of the following issues: The role and function of financial markets; securities traded in the financial markets; Different types of financial markets, types of institutions involved in the financial market; the organization and trading process in the financial market, and basic knowledge about valuation of financial assets.

This subject provides a foundation for students to acquire knowledge of specialized subjects in the following academic years such as Corporate Finance, Commercial Banking, Foreign Exchange, Securities Analysis and Investment, Governance Portfolio Management, and Derivative Financial Markets.

3. TEACHING OBJECTIVES

3.1. General objectives

Overall, the subject will enable students to possess knowledge of the organization and operation of the various types of markets constituting the financial market such as capital markets, money markets, foreign exchange markets, derivatives market, etc. In addition, the course aims to provide students with foundation knowledge of the participants of the transaction, types of trading tools and transactional infrastructure of each type of market that form the financial markets.

3.2. Specific objectives:

3.2.1. Knowledge

Upon the completion of this subject, the students will be able to:

- Describe the background in financial markets such as the role and organization of the financial market as a channel for raising capital, in addition to raising capital through financial intermediaries
- Explain how the financial markets operate, financial instruments that are traded on the financial market.

- Apply certain basic knowledge on valuation of financial assets to solve valuation problems.

3.2.2. Skills

In terms of skills, the students are expected to achieve the skills of thinking, debating, discussing and discussing topics, both theoretically and practically, which related to the financial markets in the world and in Vietnam

3.2.3. Attitudes

The course will provide students with an overview of the whole operating mechanism and the participants in the financial market, thereby helping students in finance and banking to orient themselves for future careers. Thus, this subject will contribute to this gradual change in student attitudes from passive to active learning, from receptive thinking to analytical and critical thinking, and from observation and settlement thinking, from listening to thinking and explaining.

4. TEACHING CONTENTS

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
1.	MODULE 1: OVERVIEW OF FINANCIAL MARKETS	1. Overview of financial markets 1.1. Concept 1.2. History of the financial market 1.3. Classifying financial markets 1.3.1. Primary and secondary markets 1.3.2. Money market and capital market 1.3.3. Forex market 1.3.4. Derivative instruments markets 1.4. The principles of operation of financial markets 1.5. The role of financial markets 2. Overview of financial institutions 2.1. Overview of the type of financial institution 2.1.1. The concept of financial institution	24	9	15		Chapter 1

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		2.1.2. Types of financial institutions 2.2. The economic role of financial institutions 2.3. Operational risk of financial institutions 2.4. Principles of operation of financial institutions 3. Market globalization and financial institutions					
2.	MODULE 2: MONETARY MARKET	1. Overview of monetary market 1.1. Concept 1.2. Interest rates in the monetary market 1.2.1. Discount rates 1.2.2. Nominal interest rate, real interest rate 1.2.3. Simple interest rate 1.2.4. Compound interest rate 1.2.5. Effective interest rates 2. Securities products on the money market 2.1. Treasury Bills 2.2. Repurchase Agreement 2.3. Commercial papers 2.4. Certificates of deposit 2.5. Bank acceptances 3. The role of the participants in the Money market 3.1. State Treasury Department 3.2. State Banks 3.3. The commercial banks 3.4. Mutual funds operating in the money market 3.5. Brokers and distributors 3.6. Companies 3.7. Other financial institutions 4. The international monetary market	14,5	4,5	10		Chapter 2, 3

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
3.	MODULE 3: BOND MARKET	1. Bond market overview 2. Securities on the bond market 2.1. Government Bonds 2.2. Municipal Bonds 2.3. Corporate Bonds 2.4. Bond price index 3. The role of stakeholders in the bond market 4. The international bond market	14,5	4,5	10		Chapter 7
4.	MODULE 4: STOCK MARKET	1. Stock Market Overview 1.1. Concepts 1.2. Classification 1.2.1. Common shares 1.2.2. Preferred shares 2. Stock market primary and secondary 2.1. Primary market 2.2. Secondary market 2.3. Stock price index 3. The role of the stakeholder in the stock market 4. Factors to maintain stock market performance 4.1. Economic indicators 4.2. Market efficiency 4.3. Stock market rules	14,5	4,5	10		Chapter 10, 11
5.	MODULE 5: MORTGAGE BACKED SECURITIES (MORTGAGE MARKET)	1. Overview of MBS 2. Primary market 2.1. Characteristics of market 2.2. Depreciation of pledged assets 2.3. Types of mortgages 3. Secondary Market 3.1. The history of the secondary market 3.2. Activities on the secondary market 3.3. Mortgage backed securities	14,5	4,5	10		Chapter 9

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		4. Entities operating in the market 5. International trends 5.1. The demand of investors for MBS products 5.2. International MBS					
6.	MODULE 6: FOREIGN EXCHANGE MARKET	1. Overview of the foreign exchange market 1.1. Concepts 1.2. History and development of the foreign exchange market 1.3. Risk on the foreign exchange market 2. Exchange rates and foreign exchange transactions 2.1. Exchange rates 2.2. Forex trading activities 2.3. Returns and risks in foreign exchange transactions 2.4. The role of financial institutions in foreign exchange transactions 3. The interaction between interest rates, inflation and exchange rates 3.1. The law of purchasing power parity 3.2. Law of interest rates parity	14,5	4,5	10		Chapter 16
7.	MODULE 7: DERIVATIVES INSTRUMENTS MARKET	1. Overview of Derivative Markets 1.1. Concepts 1.2. Classifications 2. Forwards and Futures 2.1. Spot market 2.2. Forwards market 2.3. Futures Market 3. Options 3.1. Call Options 3.2. Put Options 3.3. Options Markets	24	9	15		Chapter 13, 14, 15

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		4. Futures and Options Market 5. Swaps 5.1. Interest rate swaps 5.2. Currency swaps 5.3. Credit swaps 5.4. Swap market 6. Derivative markets in the world					
8.	MODULE 8: PRACTICAL ASPECTS OF FINANCIAL MARKETS	8.1. Vietnam financial market 8.2. Financial markets in the world	14,5	4,5	10		To be updated by lecturer
	TOTAL		135	45	90		

Note: TT: Total number of lessons; T: Theory; E: Exercises; P: Practices

5. TEACHING MATERIALS

5.1. Textbooks

Madura, J. (2015), *Financial Markets and Institutions*, 9th edition, Cengage Learning (Thompson)

5.2. Supplementary Readings

Yen, Bui and Kieu, Nguyen (2011), *Thị trường tài chính*, NXB Lao động Xã hội.

Mishkin, F. and Eakins, S (2015), *Financial Markets & Institutions*, 4th Edn. Addison Wesley

6. ASSESSMENTS

No.	Assessment details	Percentage
1	Mid-Term Exam	25%
2	Group Project and Presentation (to be advised)	25%
3	Final Exam	50%
	Total	100%

7. TEACHING SCHEDULES

Week	Topic	Learning materials and activities
1	Module 1: from 1.1 to 1.5	Discussion and exercises chapter 1
2	Module 1: from 2.1 to 2.4, Topic 3	Discussion and exercises chapter 1
3	Module 2	Reading and practicing exercises in chapter 2
4	Module 3	Practicing exercises in chapter 3
5	Module 4	Practicing exercises chapter 10, 11
6	Module 5: topic 1, 2 (from 2.1 to 2.4)	Practicing exercises chapter 9
7	Module 5 + Midterm test	Solving a case study at class Midterm test
8	Module 6	Exercises chapter 16
9	Module 7	Exercises chapter 13, 14
10	Module 7 (cont.)	Exercises chapter 15
11	Module 8 + Review	Discussion and debates/Guest speaker Reading materials provided by the lecturer

**BY ORDER OF THE RECTOR
AUTHORIZED BY DEAN OF THE SCHOOL
VICE DEAN OF THE SCHOOL**

(signed)

VÂN THỊ HỒNG LOAN