

FIN521 Financial System, Financial Markets and Financial Supervision

Level: 5

Credit Units: 5 Credit Units

Language: ENGLISH

Presentation Pattern: EVERY JAN

Synopsis:

FIN521 Financial System, Financial Markets and Financial Supervision introduces the important functions performed by the financial markets, and how the real economy recycles wealth in order to create more wealth through effective functioning of financial markets. The course provides insights on how monetary policy affects prices of financial assets and how policies of financial regulators are established to ensure financial stability and desirable market conduct, in order to protect financial consumers. The course also introduces various financial markets and institutions which are important or related to wealth management activities. Furthermore, using real-life cases, the course illustrates how excessive financial innovations may be harmful, and provides insights on how financial innovations should be carefully managed and nurtured, and that there is a necessity where pre-requisite conditions such as financial literacy and education, regulations and measures to protect investors etc. should be put in place for financial innovations to flourish. Lastly, the course discusses the general code of ethics and standards of professional conduct in the financial markets and the importance of maintaining higher ethical standards in financial professions, especially in investment and wealth management. Overall, the course is aimed at providing the wealth management professionals with a good understanding of macro-financial environment and dynamics that affect the development and operation of wealth management industry.

Topics:

- Functions of financial markets; the virtuous cycle between financial market and real economy
- Monetary system; central bank and monetary policy (including unconventional QE) and its impact on exchange rate, interest rate and asset prices etc.
- Macro-prudential supervision for financial stability - balancing development and stability
- Financial markets and financial institutions (with emphasis on markets and institutions relating to wealth management)
- Financial innovation and investors' education and protection (including "Lehman Mini-bond" case study)
- Supervisory and regulatory requirement of capital market and wealth management activities
- General code of ethics and standards of professional conduct in the finance industry

Learning Outcome:

- Appraise the role of wealth management in the functioning of financial markets
- Appraise the potential impacts of policies and regulations of relevant authorities on the wealth management industry
- Evaluate the regulatory concern for consumer protection and the need for a fine balance between financial innovation and development on one hand, and investor protection and stability on the other
- Assess the development opportunities for wealth management business
- Implement the principle of “selling suitable products to suitable customer” and considering the interest of investors when conducting financial innovation
- Demonstrate integrity, competence, diligence, respect and act in an ethical manner in the global financial markets
- Defend the integrity and viability of the global financial market for the ultimate benefit of society.

Assessment Strategies:

Continuous Assessment Component	Weightage (%)
PARTICIPATION	10
GROUP BASED ASSIGNMENT	40
Sub-Total	50

Examinable Component	Weightage (%)
ECA	50
Sub-Total	50

Weightage Total **100**