Soochow University

ECO 363 Financial Markets and Risk Management

Summer 2021

Course Information

Course Credits: 4

Contact Hours: 58 hours

Class Time: 8:30 - 10:20

Instructor: TBA

Course Format: Online

Course Description

Financial market is always tightly connected with risk.This course will get students acquainted with risk management theories to develop a solid background for future study in this field. Topics of this course will cover risk-based equilibrium in capital markets, portfolio selection theory, arbitrage pricing theory, applied portfolio management, portfolio performance evaluation, and hedge funds. By learning this course, students will comprehend current financial markets from various perspectives and gain insight in to basic risk management approaches.

Prerequisite(s)

None

Learning Objectives

Upon completion of this course, students will be able to:

1. Explain the basic concepts and laws in risk management and financial market;
2. Understand the principles of portfolio selection in financial markets;
3. Master the way to explain the function of hedge funds;
4. Apply practical business skills to financial market analysis and financial risk management.

Methodology

Methodology	Hours	Hours of work During class	Hours of work After class
Online Video	50	88 hours (60%)	
Online Forum Discussion	8		
Assessment	30		
Personal study	30		68 hours (40%)
Tasks	22		
Practical teaching preparation	10		
Bibliographic search	6		
Total	**156**	**88**	**68**

Textbook(s)

1. ***Risk-Based Investment Management in Practice*** by Frances Cowell, Palgrave Macmillan UK, 2013.
2. ***Investments***, by Zvi Bodie, Alex Kane, Alan J. Marcus, 11th Edition, McGraw-Hill Education, 2018.

Tasks and Evaluation

Assignments	20% (10% for each)
Quizzes	20% (10% for each)
Midterm	25%
Final exam	35%

Students are required to attend online classes on the scheduled time. Missing classes without permission will lead to decrease in overall grade.

- Missing less than two classes: no penalty.
- Missing more than two classes: 7% will be taken off from the overall grade.

Online forum discussion is required. Students are required to post at least one question and answer at least one question on the forum weekly.

Online Tutorials are mandatory. Students will read and discuss academic articles provided. Students will also discuss the case studies for the week's lectures. Each Tutorial will be 1 hour.

All exams will be held online and the time of each exam will be limited to 1 hour. Exams must also be taken at the scheduled time. There will be no make-up exams.

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Rating System:

1. Assessment

ASSESSMENT ITEM	PERCENT OF FINAL GRADE
Assignments	20% (10% for each)
Quizzes	20% (10% for each)
Midterm	25%
Final exam	35%

2. Grading Scale

A+ 96-100	A 90-95	A- 85-89
B+ 82-84	B 78-81	B- 75-77
C+ 71-74	C 66-70	C- 62-65
D 60-61	F < 60	

Course Content

Week	Lecture	Topics	Dues	%
1	1	Overview of Course		
	2	The Investment Environment		
	3	Mutual Funds and Other Investment Companies		
	4	Risk-Based Portfolio Selection		
	5	Asset allocation	Assignment 1	10
2	6	Equities Portfolios; Fixed Interest Portfolios		
	7	Credit Portfolios; Property Portfolios		
	8	Structured Portfolios; Optimal Risky Portfolios		
	9	Equilibrium in Capital Markets		
	10	Capital Allocation to Risky Assets	Quiz 1	10

3	11		Midterm Test	25
	12	The Capital Asset Pricing Model		
	13	Arbitrage Pricing Theory and Multifactor Models of Risk and Return		
	14	The Efficient Market Hypothesis		
	15	Behavioral Finance and Technical Analysis	Assignment 2	10
4	16	Bond Prices and Yields; Managing Bond Portfolios		
	17	Portfolio Performance Evaluation		
	18	International Diversification		
	19	Applied Portfolio Management and Hedge Funds		
	20	Options, Futures, and Other Derivatives	Quiz 2	10
5	21	Risk Management; Risk Modelling		
	22	Derivatives Risk Management		
	23	Investment Management Theory; Trends in Investment Management		
	24	Final Exam Reviews		
	25		Final Exam	35

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University Regulations and Services

Soochow University highly values the academic integrity and aims to promote the academic fairness, honesty and responsibility. Any academic dishonesty behaviors and any attempts to cheats and plagiarism will be reported to the university administration office. A written warning and the relevant penalties will be imposed. The record might be shown on the official university transcript.

Soochow University also highly respects students' accommodation for disabilities and religions. You might contact the Student Accessibility Office if you have any questions, concerns or if you would like to report any offensive behaviors.

Note:

Please contact the University Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material.