

# BB205 FINANCIAL MARKETS AND INSTITUTIONS

## Course Description and Scope

The objective of this course is to provide students with an understanding of the role and regulation of financial institutions and markets in general, with special emphasis on the institutions and markets in Singapore.

The course will cover the development of financial institutions and markets in general. Special reference is made to the factors which have contributed to Singapore's development as a financial centre, the functions/services of the various types of financial institutions (including both government and privately owned), and the structure and nature of the various financial markets. Students will be introduced to technical terms and concepts used in the trading of financial markets.

## Proposed Lecture Schedule

Week	Topics	Readings
1	1. Introduction / Overview of financial sector	TCH, Ch. 1 LSW, Ch. 1 MAS, Sect. I
2	2. Commercial Banks 2.1 Full Licence 2.2 Restricted Licence 2.3 Offshore Licence 2.4 Asian Currency Units	TCH, Ch. 2 LSW, Ch. 2 & 3 MAS, Sect. III
3	3. Merchant Banks 4. Finance companies 5. Insurance and reinsurance	TCH, Ch. 3-5 LSW, Ch. 4 MAS, Sect. III
4	6. Post Office Savings Bank 7. Central Provident Fund Board	TCH, Ch. 18 & 19 LSW, Ch. 4 MAS, Sect. II
5	8. MAS, GIC and Board of Commissioners of Currency 9. Govt. financial assistance schemes / venture capital	TCH, Ch. 6, 16-17 LSW, Ch. 7 MAS, Sect. II

6	10. Introduction to Financial Markets	TCH, Ch. 1 LSW, Ch. 1 FM, Ch. 1 & 2 MAS, Sect. III
7	11. Money Markets in Singapore	TCH, Ch 7 & 9 LSW, Ch. 5 FM, Ch. 19
8	12. Capital Markets I : Debt Markets in Singapore	TCH, Ch. 8 & 11 LSW, Ch. 5 FM, Ch. 20 & 21
9	<b>RECESS</b>	
10 & 11	13. Capital Markets II: Stock Exchange of Singapore	TCH, Ch. 11 & 12 LSW, Ch. 5 FM, Ch. 13
12	14. The Foreign Exchange Markets	TCH, Ch. 10 LSW, Ch. 9 FM, Ch. 30
13	15. The Derivative Markets	TCH, Ch. 13-15 FM, Ch. 10 & 11

**Basic Text**

TCH            Tan Chwee Huat  
                   *Financial Markets and Institutions in Singapore*  
                   8<sup>th</sup> edition, Singapore University Press, 1996  
                   Call Number HG187.S55T161

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### Other References

- LSW            D.G. Lockett, D.L. Schulze and R.W.Y. Wong  
*Banking, Finance & Monetary Policy in Singapore*  
McGraw-Hill Book Co. – Singapore, 1994.  
Call Number HG3300.67L941
- FM             F. Fabozzi and F. Modigliani  
*Capital Markets: Institutions and Instruments*  
2<sup>nd</sup> edition, Prentice Hall, Inc., 1996.
- MAS            Monetary Authority of Singapore  
*Financial Structure of Singapore*  
3<sup>rd</sup> edition, 1989.  
Call Number HG187.S55F491

### Method of Instruction

Lectures:      2 hours per week  
Tutorials:     2 hours per week

Lectures commence in Week 1 and end in Week 13.  
Tutorials commence in Week 2 and end in Week 14.

### Course Assessment

Written Assignments:	10%
Final Examination:	90%
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Total	100%
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### Staff

Course Co-ordinator / Lecturer  
Dr Tan How Joo  
Co-lecturer  
Dr Poon Ser-Huang