

Subject Code	AF6307
Subject Title	Economics of FinTech
Credit Value	3
Level	6
Normal Duration	1-semester
Pre-requisite/ Co-requisite/ Exclusion	None
Role and Purposes	<p>The objective of this subject is to inspire students to think about the economic bearings and ethical implications of the current FinTech revolution.</p> <p>This subject will contribute to the achievement of the DFinTech program outcomes by providing students with economic perspectives to comprehend the implications of various FinTech disruptions with ethical implications (Outcome 1).</p>
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> gain an overall picture of the development of the current FinTech ecosystem grasp some important economic and finance concepts and principles related to various FinTech revolutions covered in the course; appreciate the economic bearings of the current FinTech disruptions to the economic and financial system.
Subject Synopsis/ Indicative Syllabus	<p>Topic 1. Introduction to FinTech</p> <ul style="list-style-type: none"> Major areas in FinTech The FinTech ecosystem Disruptions of Industry 4.0 Ethics and Regulations in FinTech <p>Topic 2. Cryptocurrency and Money and Banking</p> <ul style="list-style-type: none"> Money creation, quantity theory of money and exchange rate determination Crowdfunding and e-payment systems Bitcoin, its impacts and implications <p>Topic 3. Blockchain and Transaction Cost Economics</p> <ul style="list-style-type: none"> Various blockchain applications in FinTech The economic implications <p>Topic 4. Big Data Analytics, Machine Learning and Investech</p> <ul style="list-style-type: none"> Textual and sentiment analysis; Applications of machine learning in InvesTech. <p>Topic 6. ICO, STO and Asset Digitization</p> <ul style="list-style-type: none"> IPO and information asymmetry; New asset class and WealthTech. <p>Topic 7. Trust and Economic Growth</p> <ul style="list-style-type: none"> Trust and economic transactions; Trust and Innovations. <p>Topic 8. DApp, DAO, and Theory of Firm</p> <ul style="list-style-type: none"> Firm boundary;

	<ul style="list-style-type: none"> FinTech politics. 						
Teaching/Learning Methodology	The course will be offered in a mode that combines seminars, case study, team presentations, and group discussions.						
Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a.	b.	c.		
	Continuous Assessment*	100%					
	1. Class participation	20 %	✓	✓	✓		
	2. Group Case study & presentation	20 %	✓	✓	✓		
	3. Individual Assignment	20%	✓	✓	✓		
	4. Individual assessment – final assessment	40%	✓	✓	✓		
Total	100 %						
<p><i>*Weighting of assessment methods/tasks in continuous assessment may be different, subject to each subject lecturer.</i></p> <p>To pass this subject, students are required to obtain Grade D or above in the Continuous Assessment components.</p> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes: the various methods are designed to ensure that all students taking this subject –</p> <ol style="list-style-type: none"> Class participation aims to stimulate students to be exposed to various new potential applications of the smart city and urban informatics technologies in different business areas. The group project is designed to enhance students’ ability to acquire the understanding and using different knowledge, principles, techniques, tools to solve a real problem through team. The final assessment is used to assess individual students’ ability to have an overall understanding of the inter-relationship of the various technologies and their individual characteristics. 							

Student Study Effort Expected	Class contact:	
	▪ Lectures	30 Hrs.
	Other student study effort:	
	▪ Preparation for the class	30 Hrs.
	▪ Preparation for Projects/Assignments	50 Hrs.
	▪ Preparation for Final Assessment	10 Hrs.
	Total student study effort	120 Hrs.
Reading List and References	<ol style="list-style-type: none"> 1. Armen A. Alchian; Harold Demsetz, 1973, The Property Right Paradigm, <i>Journal of Economic History</i> v33n1, 16 – 27. 2. Ronald Coase, 1937, The Nature of the Firm, <i>Econometrica</i> 4, 386 – 405. 3. Douglas W. Diamond, 1984, Financial Intermediation and Delegated Monitoring, <i>Review of Economic Studies</i> v51n3, 393 – 414. 4. Tim Loughran and Bill McDonald, 2016, Textual Analysis in Accounting and Finance: A Survey, <i>Journal of Accounting Research</i> v54n4, 1187 – 1230. 5. Peter Gomber, Jascha-Alexander Koch, Michael Siering, 2017, Digital Finance and FinTech: current research and future research directions, <i>Journal of Business Economics</i> v87n5, 537 – 580. 6. Paul C. Tetlock, 2007, Giving Content to Investor Sentiment: The Role of Media in the Stock Market, <i>Journal of Finance</i> v62n3, 1139 – 1168. 7. Luigi Guiso, Paola Sapienza, Luigi Zingales, 2009, Cultural Biases in Economic Exchange?, <i>Quarterly Journal of Economics</i> v124n3, 1095 – 1131. 8. Yann Algan and Pierre Cahuc, 2013, Trust and Growth, <i>Annual Review of Economics</i> 5, 521 – 549. 9. James S. Ang, Yingmei Cheng, and Chaopeng Wu, 2015, Trust, Investment, and Business Contracting, <i>Journal of Financial and Quantitative Analysis</i> v50n3, 569 – 595. 10. William N. Goetzmann, <i>Money Changes Everything: How finance made civilization possible</i>, Princeton 2016. 11. Jefferson Duarte, Stephan Siegel and Lance Young, 2012, Trust and Credit: The Role of Appearance in Peer-to-peer Lending, <i>Review of Financial Studies</i> v25n8, 2455 – 2484. 12. Stanley Fischer, 1986, Friedman versus Hayek on private money: Review essay, <i>Journal of Monetary Economics</i> v17n3, 433 – 439. 13. Nobuhiro Kiyotaki and Randall Wright, 1989, On Money as a Medium of Exchange, <i>Journal of Political Economy</i> v97n4, 927 – 954. 14. Tasca, P., Aste, T., Pelizzon, L., Perony, N. (Eds.), <i>Banking Beyond Banks and Money: A Guide to Banking Services in the Twenty-First Century</i>, Springer 2016. 	