



FINTECH ECOSYSTEM AND MANAGEMENT

Course code	<i>FIN 127</i>
Compulsory in the programmes	---
Level of studies	<i>Undergraduate</i>
Number of credits	<i>6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)</i>
Course coordinator (title and name)	<i>Prof Dr Tom Hashimoto</i> <i>tomhas@ism.it</i>
Prerequisites	<i>Principles of Finance or equivalent</i>
Language of instruction	<i>English</i>

THE AIM OF THE COURSE:

This course provides an overview of FinTech (financial technology) from three perspectives. First, we will approach FinTech from financial markets and institutions point of view and deals with various examples of FinTech products/services, e.g. payment systems, P2P (peer-to-peer) lending, blockchain, smart contract. Second, we will discuss the drivers and factors of FinTech development and growth. Here, we pay particular attention to regulatory incentives and encouragements such as sandbox. Third, we will compare financial markets in the world and identify the 'Fin' part of the FinTech. Ultimately, we ask ourselves if this buzzword 'FinTech' is suitable to characterise the contemporary global financial economics.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESSMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives (Number of LO)	Assessment methods	Teaching methods
CLO1. Demonstrate the basic understandings on the relationship between FinTech and the development of financial markets	BLO1.1 ELO1.1	Midterm, group paper	Lecturers, seminars
CLO2. Illustrate the unique set of problems which FinTech entrepreneurs are facing today	BLO1.2 ELO1.2	Group paper, final exam	Seminars
CLO3. Analyse how the development and management of FinTech is linked to the wellbeing of the society	BLO2.1 ELO2.1	Group paper, final exam	Lectures, seminars
CLO4. Critically review the FinTech ecosystem and identify the underling institutional supports necessary for its growth	BLO2.1 ELO2.1	Midterm, group paper, final exam	Seminars

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

COURSE OUTLINE

Topic	In-class hours	Readings
<p>1. Introductory discussion – review of finance</p> <p>Not all 'FinTech' projects use cutting-edge technologies. Then, where do we draw the line between 'Fin' and 'FinTech'?</p>	4	
<p>2. FinTech startups</p> <p>The trends in FinTech seem to vary from one region to another – but are they limited to startups? How do the economies of scale influence the areas in which firms can apply technologies?</p>	4	<p>Mastercard (2019) 'FinTech in 2020: Five Global Trends to Watch'.</p> <p>Lai KPY and Samers M (2020) 'Towards an economic geography of FinTech', <i>Progress in Human Geography</i>.</p>
<p>3. Case studies: Elixir, mBank, Revolut</p> <p>For startups, identifying the core customer group and comparative advantages are key. Based on the business canvass, what can we say about these startups? Where are they in the innovation S-curve?</p>	4	Additional readings may be circulated.
<p>4 & 5. Blockchain and strategy</p> <p>Based on the Oxford Blockchain Strategy framework, we review blockchain, cryptocurrency, and smart contract technology and extend our focus from startups to establishments.</p>	8	Lee I and Shin YJ (2018) 'Fintech: Ecosystem, business models, investment decisions, and challenges', <i>Business Horizons</i> , 61: 35-46.
<p>6 & 7. Fin vs Tech</p> <p>After all, how do we characterise the <i>market</i> of FinTech? Are there clusters and financial centres particularly active in FinTech? How do we understand the demand side of 'FinTech' (especially given the Brexit and pandemic)?</p>	8	Cojoianu TF et al. (2020) 'Fin vs. tech: Are trust and knowledge creation key ingredients in fintech start-up emergence and financing?' <i>Small Business Economics</i> .
<p>8. Midterm examination & essay workshop</p>	4	
<p>9. Initial Coin Offering (ICO), Non-Fungible Token (NFT) – new liquidity?</p> <p>ICO/NFT involves many stakeholders from the listed company to individual investors, from the market platform to securities underwriters. Especially for the participants of traditional equity markets, ICO/NFT can be an opportunity as well as a threat. After all, is this a sustainable trend?</p>	4	<p>Boreiko D and Risteski D (2020) 'Serial and large investors in initial coin offerings', <i>Small Business Economics</i>.</p> <p>Adhami S et al. (2018) 'Why do businesses go crypto? An empirical analysis of initial coin offerings', <i>Journal of Economics and Business</i>, 100: 64-75.</p>

<p>10 & 11. Corporate governance, regulatory environments, and ‘Sandbox’</p> <p>Are the advances in FinTech strengthening corporate governance? How would the rise of FinTech help the general economy? Is it sustainable? If so, how can we stimulate the growths in FinTech?</p> <p>[Paper Deadline!]</p>	8	Excerpts from De Filippi P and Wright A (2018) <i>Blockchain and the Law</i> . Cambridge, MA: Harvard University Press.
<p>12. FinTech today in the European context</p> <p>This portion of the course is also reserved for the topics suddenly emerging during the semester. The lecturer invites the participants to suggest topics to be covered here in case there are particular preferences.</p>	4	Additional readings may be circulated.
	Total: 48 hours	
CONSULTATIONS	6	
FINAL EXAM	2	

FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components (25%)</i>	
<ul style="list-style-type: none"> Group paper and presentation 	25
<i>Individual Components (75%)</i>	
<ul style="list-style-type: none"> Midterm 	30
<ul style="list-style-type: none"> Final exam 	45
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

1. *Midterm examination*: It is written in-class, open-book (i.e. you are allowed to bring your own notebook, the textbook, and other paper-based materials – electronic devices are prohibited), and in an essay format. It is designed to tackle the major concepts and themes characterising FinTech at large. Midterms examination covers topics 1-7.

[Midterm exam will take place at the beginning of the 8th class, unless otherwise indicated.]

2. *Group paper and presentation*: It should be 2,500-3,000 words (excluding bibliography and appendices) on the topic of your choice (subject to approval by the lecturer). It is evaluated based on not only the depth of knowledge, but also the coherence of argument vis-à-vis the chosen research question. Some interesting case studies from *the Economist*, *Financial Times*, and *Bloomberg* are good starting points, while challenging and creative analyses are encouraged and welcomed.

[Given the intensive nature of the course, the deadline of paper is at the beginning of the 11th class.]



3. *Final examination*: It is written in-class, open-book, and in an essay format. It is designed to assist your critical thinking on the issues beyond the formal institutional arrangements. A part of the exam addresses the issues and themes raised during the peer presentations. Final examination covers the contents of the whole course.

NB: You must obtain at least 5.0 points (out of 10.0) for *each* assignment to be counted for the total score.

4. Additionally, an *oral exam* ('*viva voce*') is carried out when a lecture requires further explanations on the submitted papers or exams. The aim of the oral exam is to clarify what the students have written and how they understand the concepts/data in question.

RETAKE POLICY

The *retake* examination for the students who do not meet the passing score after the announcement of the final grades. The retake examination covers the materials from the entire course, and it is worth 75% of the total grade (the remaining 25% comes from the group paper and presentation).

ADDITIONAL REMARKS

Regular attendance is strongly encouraged as both exams are open-book (i.e. you are allowed to bring your own notebook, printed materials, and the textbook). If for some reasons you need to miss a class, please notify the lecturer *beforehand*. The same etiquette rule applies for your peers when you gather for group projects.

REQUIRED READINGS

Please see the 'readings' column under the course outline section above.

ADDITIONAL READINGS

For a review of financial markets and institutions, please utilise:

Valdez, S. & Molyneux, P. (2013) *An Introduction to Global Financial Markets*, 8th edition. Basingstoke: Palgrave Macmillan.

For our in-class discussions, students must refer to relevant academic and/or news articles to highlight current issues linked to the topic of the day. No formal presentations are required, however. Please note that many materials were published prior to the current financial crisis, pandemic etc. Thus, you must update your knowledge with a critical mind-set.



ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management

*Programmes:
International Business and Communication,
Business Management and Marketing, Finance,
Industrial Technology Management*

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science

*Programmes:
Economics and Data Analytics,
Economics and Politics*

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper