



FI350 Private and Investment Banking

Instructor Information	Dr. Si Zhou Home Institution: Shanghai University Email: szhou@shu.edu.cn Office Hours: Mondays TBD		
Term	June 27, 2022 - July 22, 2022	Credits	4 units
Class Hours	Monday through Friday, 120 mins per teaching day		
Discussion Sessions	2.5 hours each week, conducted by teaching assistant(s)		
Total Contact Hours	66 contact hours (1 contact hour = 45 mins, 3000 mins in total)		
Required Texts (with ISBN)	Stowell, D.P. (2018) Investment Banks, Hedge Funds, and Private Equity, 3 rd , London: Elsevier. ISBN: 978-0-12-804723-1		
Prerequisite	Fundamentals of Finance or Corporate Finance or Financial Management		



Course Overview

This module aims to introduce the key concepts of private and investment banks and to develop the understanding of the operation undertaken and the regulatory environment encountered by private and investment banks. The private banking part covers contents with reference to the overview of the private banking and wealth management industry; investment advisory; client perspective and relationship management. The material on investment banking includes M&A advisory; financing; underwriting; syndicated loans; asset management; securitization; sales and trading; international banking; ethics and professional standards; and laws, regulations and compliance issues. This module presumes that the students should have a fundamental knowledge of the financial market and firms.

Learning Outcomes

By the end of this module, the student should be able to:

- LO1: Understand and describe the key businesses and roles of investment banking firms and the development of private and investment banking industry post-financial crisis.
- LO2: Understand and appraise the various financing alternatives, fee structures associated with capital markets financings, and the role of investment banks in such activities.
- LO3: Evaluate and utilize the various valuation techniques adopted by investment banks when advising M&A activities.
- LO4: Appraise the role of private and investment banks in asset and wealth management for institutional and individual investing clients.
- LO5: Show understanding of business ethics, professional standards, regulations, and compliance issues related to the private and investment banking industry.

Assignment

The assignment of this module includes two parts:

1. **INDIVIDUAL COURSE PAPER:** it requires the students to write a short essay with no more than 3 pages on the topic of the role of private banking and wealth management in the digital era. The course paper is due on day 13. (LOs assessed LO1 LO4 LO5)
2. **GROUP PRESENTATION:** It requires the students to form a task group of 3-4 people and assume the role of investment banker to provide due diligence report for a potential M&A case. The task group will act as the advisory for the acquirer to evaluate a selected target. The report should cover contents such as financial information, indebtedness, employment and labour, supplier and customer information etc. The group presentation is due on day 16. (LOs assessed LO2 LO3)

Assessment Type

The assessment of this module includes 10% in-class quiz, 20% written individual assignment, 30% group presentation and 40% close-book final exam (multiple-choice questions + short-essay questions).

In-class Quiz	Individual course paper	Group Presentation	Final Exam	Total
10%	20%	30%	40%	100%



Grading Policy

LATE PENALTY: Deduction of 5% of the total mark for each calendar day after the due date will apply when written work is submitted after 11:59pm on the due date. Zero mark will be awarded if the submission is after Day 20.

ACADEMIC HONESTY: Plagiarism or submitting work of another person is extremely prohibited. Students committed to such behaviour will be given lower grades or will fail the module.

Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0



Class Schedule

Date	Lecture	Readings
Day 1	Overview of the private and investment banking industry.	Chapter 1 of Stowell
Day 2	Regulatory environment and compliance issues in the private and investment banking industry.	Chapter 2 of Stowell
Day 3	Risk and return	Part 4 of Berk and DeMarzo., Corporate Finance, 5 th .
Day 4	Valuing projects and firms 1	Part 3 of Berk and DeMarzo., Corporate Finance, 5 th .
Day 5	Valuing projects and firms 2, case studies	Part 3 of Berk and DeMarzo., Corporate Finance, 5 th ; HBR cases.
Day 6	Financial market and corporate financing 1	Chapter 3 of Stowell; Part 5 of Berk and DeMarzo., Corporate Finance, 5 th .
Day 7	Financial market and corporate financing 2	Chapter 3 of Stowell; Part 5 of Berk and DeMarzo., Corporate Finance, 5 th .
Day 8	Sales and trading 1	Chapter 5 of Stowell;
Day 9	Sales and trading 2 and case study	Chapter 5 of Stowell; HBR cases.
Day 10	Asset management, wealth management and private banking 1	Chapter 6 of Stowell
Day 11	Asset management, wealth management and private banking 2	Chapter 6 of Stowell
Day 12	Clinic for individual course paper	N/A
Day 13	Mergers and Acquisitions 1	Chapter 4 of Stowell;
Day 14	Mergers and Acquisitions 2;	Chapter 4 of Stowell;
Day 15	M&A case study	M&A cases
Day 16	Group presentation	N/A
Day 17	Credit rating and risk management	Chapter 7 of Stowell
Day 18	International banking	Chapter 8 of Stowell
Day 19	Revision	N/A
Day 20	Final exam	N/A