



Finance Know Thy Major Session

27 Sep 2024

Presented by Dr Karen Gan
Finance Academic Advisor
Senior Lecturer of Finance

Other Finance faculty members present:

Prof John Sequeira, Prof Aurobindo Ghosh,

Prof Chiraphol New Chiyachantana

International Trading Institute (ITI) representatives

<https://business.smu.edu.sg/business/disciplines/finance/Major-Tracks>

Why major in finance?

1. You need to be trained in Financial knowledge/literacy

Eg. How will all the Financial markets be affected by the global events happening around the world?

Examples of News showing today's MARKET VOLATILITY ...

The image is a screenshot of a news article from Reuters. At the top left, there are logos for CNBC and Reuters. The article is categorized under 'Technology'. The main headline reads 'Crypto sell-off deepens as weak economic data dampens risk-taking'. Below the headline, it says 'By Reuters' and 'August 5, 2024 10:00 PM GMT+8 · Updated a month ago'. There are icons for bookmarking, font size adjustment, and sharing. The main image shows a Bitcoin logo in the foreground, with several gold coins stacked behind it. In the background, there is a red line graph representing a stock market index, which is trending downwards. On the left side of the screenshot, there is a partial view of another article titled 'Go do' under the 'METALS' section, with a sub-headline 'Gold bullion' and the name 'Mario Tama'.

METALS

Go do

PUBLISHED

REUTERS

Gold bullion
Mario Tama

Technology

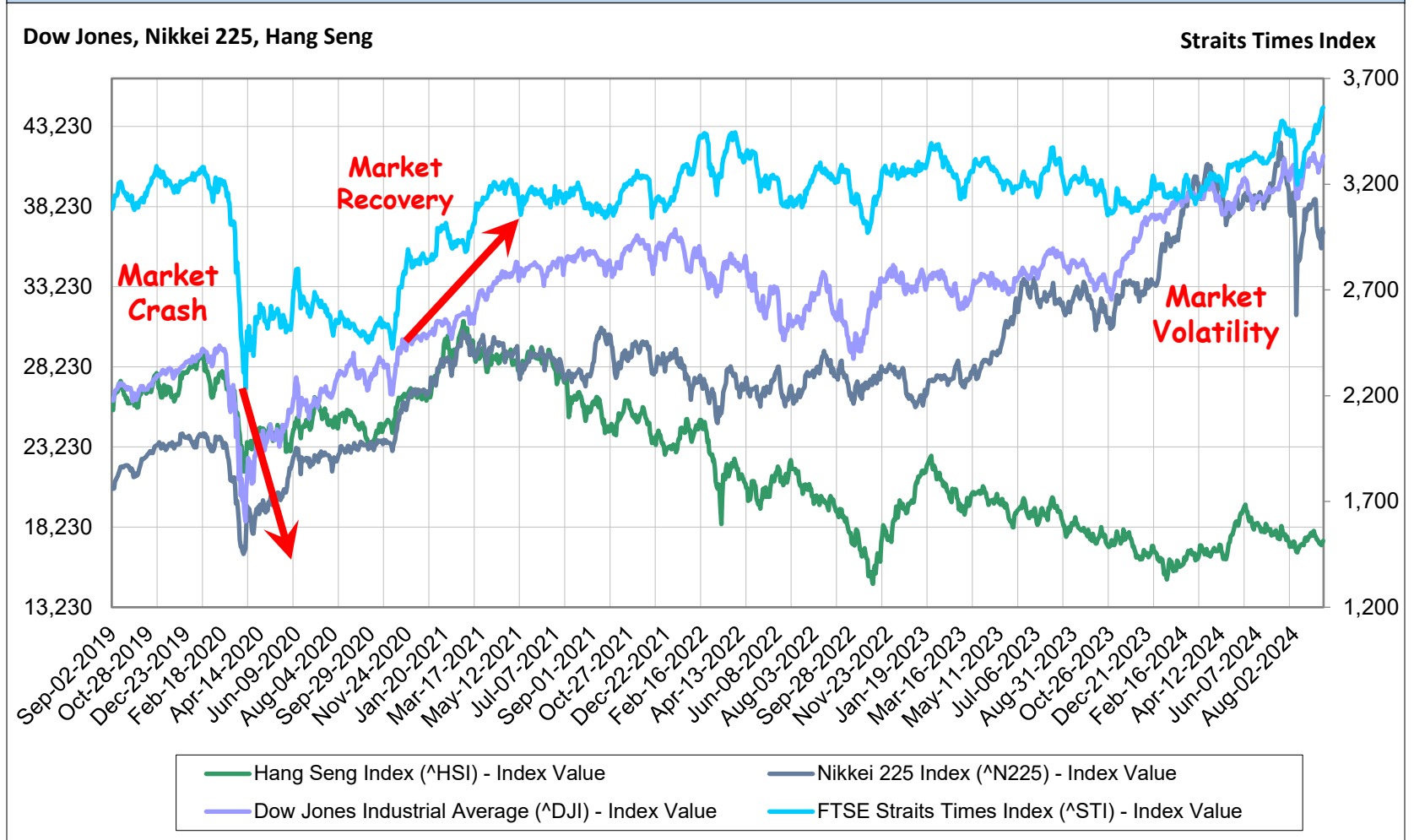
Crypto sell-off deepens as weak economic data dampens risk-taking

By Reuters

August 5, 2024 10:00 PM GMT+8 · Updated a month ago

Bitcoin logo, representation of cryptocurrencies and decreasing stock graph are seen in this illustration taken, July 7, 2022. REUTERS/Dado Ruvic/illustrations/File Photo [Purchase Licensing Rights](#)

Periods of Market Volatility



Source: CapitalIQ

Financial markets can be affected by world events.

Why major in finance?

- ❑ With the numerous global events happening every day, how will it affect security analyses?
- ❑ Think about the different types of Asset classes:
eg. Equities, Fixed Income, Derivatives, Real Estate, Currencies.
- ❑ When is it the RIGHT TIME to
 - **BUY**
 - **SELL**
 - **HOLD** Financial securities?

1. You need to be trained in
Financial knowledge/literacy!

3 core

Finance Major Curriculum

After taking FNCE101 you need to take 3 core electives

Financial Markets & Investments

Finance from the perspective of an investor

- Overview of Markets
- Portfolio theory
- Asset pricing models
- Smart beta investing
- Performance evaluation
- Futures and hedging

Corporate Finance

Finance from the perspective of a company

- Capital Structure
- Payout policy
- Raising capital
- Mergers and acquisitions

Corporate Reporting and Financial Analysis

Understanding financial statements (School of Accounting course)

3 core....+3 more finance electives for regular finance majors:

Elective List in AY 2024/2025

(not exhaustive)

- Analysis of Derivative Securities
- Analysis of Equity Securities
- Analysis of Fixed Income Securities
- International Finance
- Advanced Portfolio Management
- Wealth Management and Advisory
- Investment Banking
- Corporate Banking
- Retail Banking
- Entrepreneurial Finance
- Project Financing
- Trade Finance
- Financial Innovation, Blockchains and Decentralised Finance
- Sustainable Finance
- Real Estate Investments and Finance
- Real Estate Valuation and Taxation
- Real Estate Development
- Analytics in Finance and Real Estate
- Sustainable Finance Instruments
- Sustainability Risk Management

3 core + 5 more for finance major with tracks.

5 Tracks

Fin Analytics

Compulsory

- Intro to Biz Analytics
- Computational Thinking and Programming
- Business Data Mgt
- Fin Innovation, Blockchains and Decentralised Finance

Choose 1 from:

- Analytics in Finance & Real Estate
- Analysis of Derivative Securities
- Analysis of Equity Securities
- Analysis of Fixed-Income Securities
- Intl Finance
- Adv Portfolio Mgt
- Analytics for Value Investing
- Digital Banking Enterprise Architecture
- Retail Banking and Mobile Technology
- Financial Markets Processes and Technology
- Corporate Banking Technology
- Financial Analytics

Real Estate Compulsory

- Real Estate Economics
- Risk and Regulations in Real Estate
- Real Estate Investments & Finance

Choose 2 from:

- Analytics in Finance and Real Estate
- Project Financing
- Real Estate Valuation and Taxation
- Urban Economics and Policy
- Real Estate Development
- Infrastructure Economics and Policy

Wealth Mgt

Compulsory

- Wealth Mgt & Advisory
- Adv Portfolio Mgt

Choose 3 from:

- Wealth Mgt & the Law
- Sustainable Finance
- Intl Finance
- Analysis of Equity Securities
- Analysis of Fixed-Income Securities
- Analysis of Derivative Securities
- Real Estate Valuation & Taxation
- Entrepreneurial Finance
- Behavioral Finance

Intl Trading

Compulsory

- Analysis of Derivative Securities
- Law of Intl Trade
- Shipping Business
- Trade Finance

Choose 1 from:

- International Finance
- Adv Portfolio Mgt
- Corporate Banking
- Analysis of Fixed-Income Securities
- Sustainable Finance

Banking

Compulsory

- Retail Banking
- Corporate Banking
- Investment Banking

Choose 2 from:

- Wealth Mgt & Advisory
- Project Financing
- Structured Products Sales and Trading
- Analysis of Derivative Securities
- Fin Innovation, Blockchains and Decentralised Finance
- Entrepreneurial Finance
- Sustainable Finance
- Mergers & Acquisitions
- Behavioral Finance

Note that not all electives will be offered every term or AY.

Please refer to SMU Finance Major website for more details.

<https://business.smu.edu.sg/business/disciplines/finance/Major-Tracks>

Key things about tracks

- Tracks are optional
 - If you choose a track you take 3 core +5 more
 - If you choose a regular finance major, you take only 3 core +3 more.
- Track Benefits
 - You become more skilled and attractive to the job area within finance you wish to focus on.
 - More internships/partnerships/awards in some tracks.
- Track Misconception
 - A track person is NOT pigeonholing themselves.
 - A finance track person takes more electives: 3+5, not just 3+3; so a track person is actually more well-trained in finance than a regular finance major.

Finance as a second major - Requirements

- For LKCSB students: Same criteria: **3 core + 3 more** electives.
- Same for other schools' students, but in addition:
 - Must also take Finance 101 because it is a typical prerequisite for finance electives.
 - Must also take Financial Accounting because it is a prerequisite for the core elective course Corporate Reporting.

Importance of Finance as a second major - for non-BBM students

- Benefits
 - Being trained in Finance provides you with a wider range of exciting career choices.
 - Regardless of whether you are an Entrepreneur or employed by companies, all types of professions need financial expertise to generate value.
- Examples:
 - You could be helping your employer manage their capital or investing surplus funds
 - You could be a Business IT professional consultant working in a Bank
 - You could be an internal Lawyer working in a major Securities house
 - You could be an Accounting professional working in a fund management company
 - You could be the Auditor for a major Bank
 - You could be an Economist with a major Financial Institution

Importance of Finance as a second major - for non-BBM students

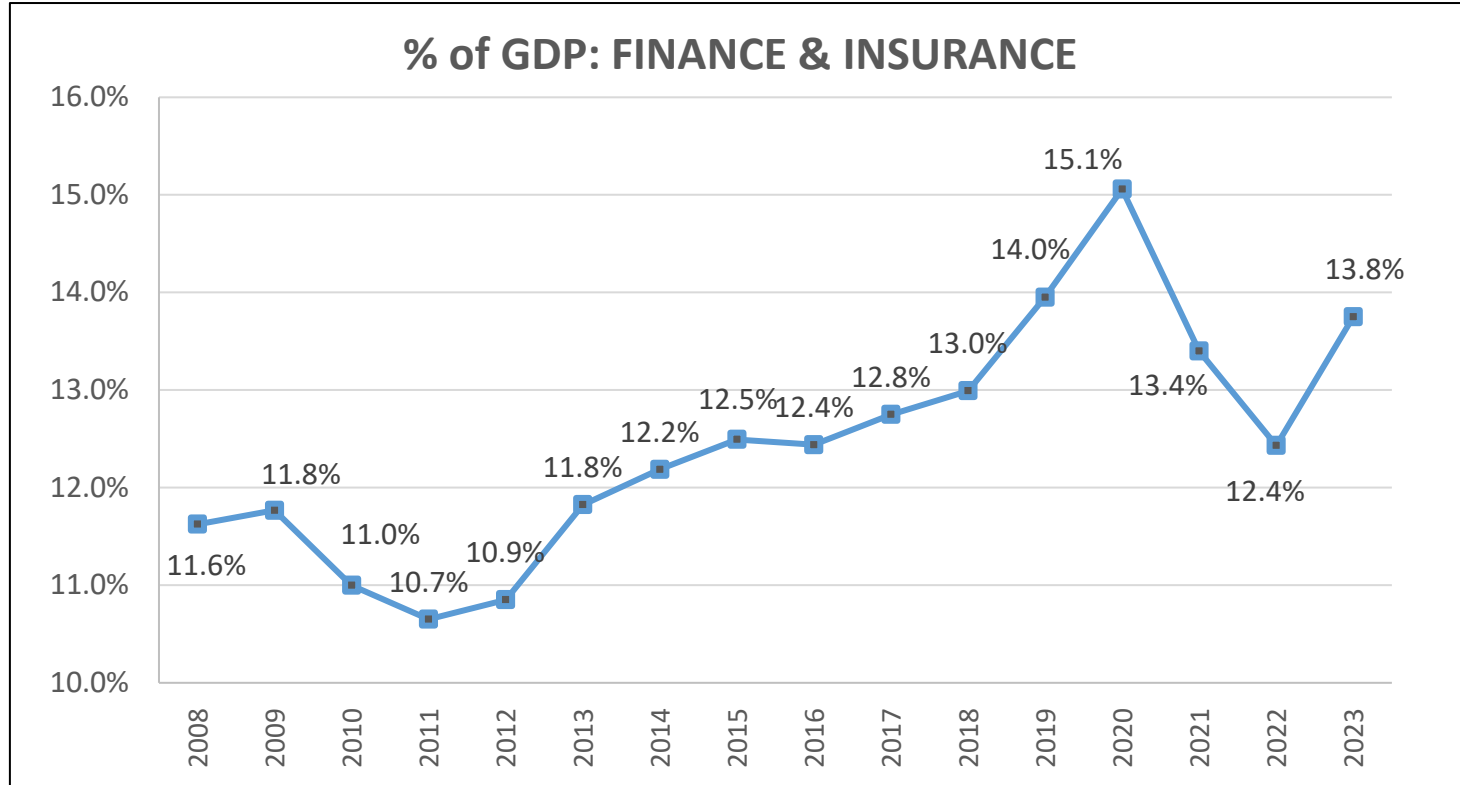
- **More Benefits**

- Finance is more than numbers
- Finance equips you with problem-solving analytical skills and strategies
- Finance teaches you to appreciate how global markets are structured
 - To venture beyond domestic fields and apply to wider domains
- You will be able to apply these skills in your own professions.
- Given the ever-volatile markets, there is increasing need for competent professionals with finance skills in all organizations:
 - Small-to-medium enterprises (SMEs)
 - Large Multinational corporations (MNCs)
 - Government organizations
 - Non-profit organizations
- Your professional expertise, coupled with quantitative and qualitative finance knowledge will provide you with plenty of attractive career opportunities.

Why major in finance?

1. You need to be trained in financial knowledge/literacy
2. **Jobs, jobs, jobs**

Key sector in SG economy

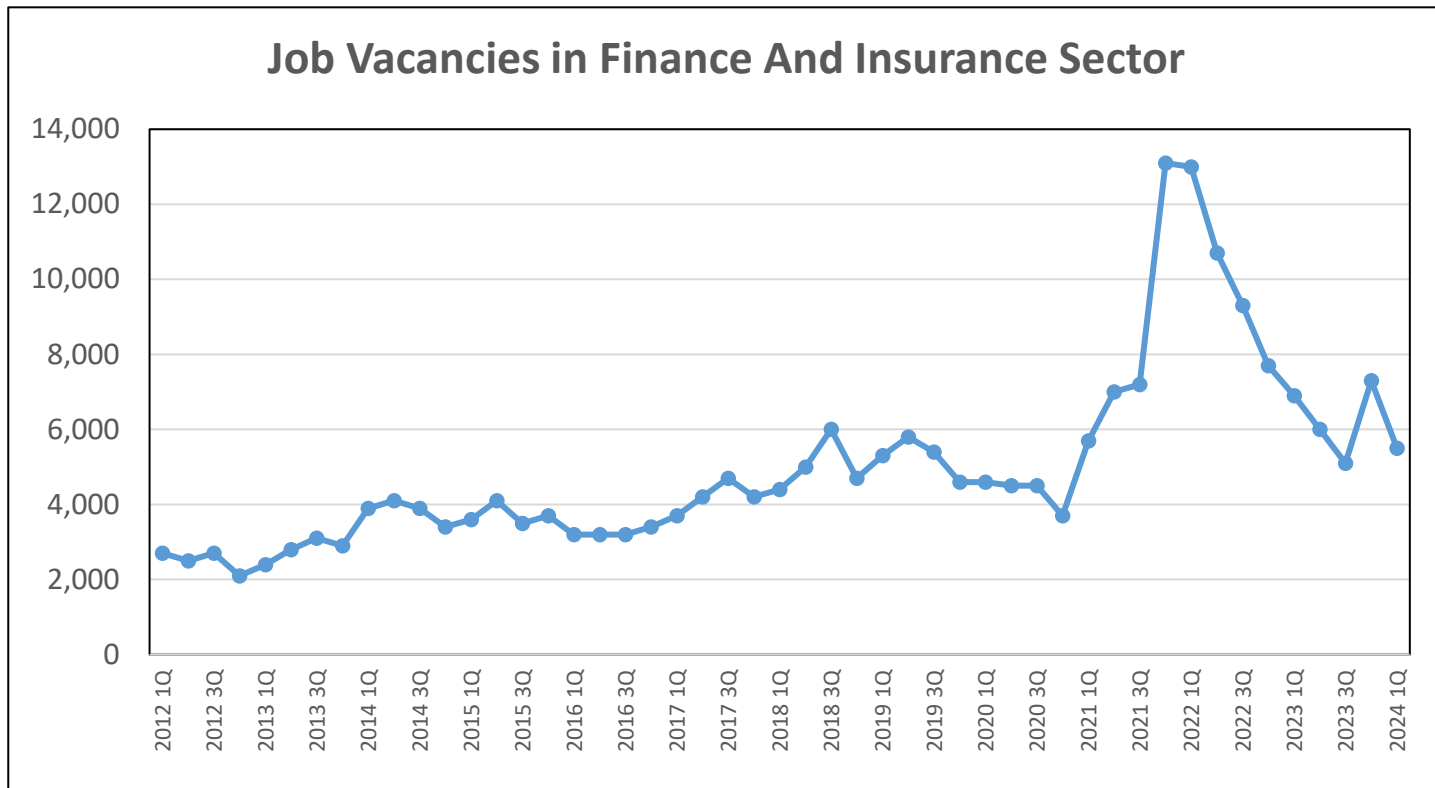


Source: Singstat, Tablebuilder,

<http://www.tablebuilder.singstat.gov.sg/publicfacing/mainMenu.action>

- The only business field that is considered a sector and not just a business function.
- Healthy contribution to SG's GDP.
- Contributions to GDP rebounded back to above 13% since the pandemic, with an outstanding record of 13.8% for 2023.

Lots of jobs in finance



Source: Singstat, Tablebuilder,

<http://www.tablebuilder.singstat.gov.sg/publicfacing/mainMenu.action>

- Above shows a strong trend in jobs available in the finance industry. Numbers stayed above 5,000 even after the pandemic.

NEWS ON FINANCE SECTOR

THE STRAITS TIMES

THE STRAITS TIMES

BUSINESS



Banks lift Singapore's STI up 1.2%



The general market direction remained weak, however, with decliners edging out gainers 298 to 244. PHOTO: LIANHE ZAOBAO

Joan Ng

UPDATED SEP 09, 2024, 07:41 PM -




SINGAPORE – The Straits Times Index (STI) ended Sept 9 at 3,496.53 points, up 1.2 per cent or 42.06 points, thanks to gains by all three local banks.

OCBC Bank was the biggest riser, up 2.5 per cent or 37 cents at \$15. DBS Bank rose 1.8 per cent or 66 cents to \$37.19. UOB closed at \$31.89, up 43 cents or 1.4 per cent.

SMU Finance Major Website

<https://business.smu.edu.sg/business/disciplines/finance/Major-Tracks>


Lee Kong Chian School of Business

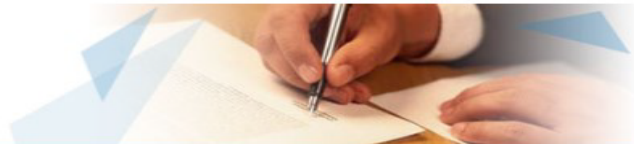
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Finance



WHY STUDY FINANCE?

The finance sector is one of the key pillars of the Singapore economy, contributing 14% to the national Gross Domestic Product (GDP) in 2022. Singapore is the region's leading financial hub and a hotspot for global financial organisations that seek to establish an Asian presence. The finance sector also accounts for more than half of the cumulative foreign direct investments (FDI) in Singapore up to 2021. The sector employs about 200,000 residents, which is a significant part of Singapore's professional workforce. Going forward, job opportunities in the sector will be expanded by the advances in Financial Technology (FinTech) and Asia's growth. In its latest estimates by MAS in Sep 2022, there will be a creation of up to 20,000 new Finance jobs in Singapore's financial sector in 5 years. According to Ministry of Manpower, the financial and insurance services industry is the one with the highest median gross monthly income of \$8,190 in 2022, compared to the overall median of \$5,070 (<https://stats.mom.gov.sg/Pages/IncomeTimeSeries.aspx>)

OTHER RECENT NEWS ON FINANCE JOBS

- 16 January 2024: Blackstone to expand private equity headcount in Singapore in South-east Asia push
- 30 November 2023: Singapore banks make headway on programmable digital money trials
- 27 November 2023: Singapore companies, banks remain financially resilient even as borrowing costs rise: MAS
- 10 November 2023: Singapore bank OCBC raises 2023 target, third-quarter net profit beats forecast
- 5 November 2023: Singapore's largest bank DBS beats forecast, quarterly profit jumps 17%
- 26 October 2023: UOB sees stronger loan and fee growth in 2024; Q3 core net profit up 5%
- 25 October 2023: JP Morgan targets non-US expansion with eye on unicorns in Singapore
- 25 Aug 2023: Barclays banks on Singapore wealth flows, sees opportunity in global market volatility
- 22 Aug 2023: Citi Private Bank bullish about 2023, growth in ultrahigh-net-worth clients mainly from S'pore

Q & A