

Problems and Suggestions for Professional Course Teaching of Finance

TIAN Yanfen^{[a],*}; CHENG Shujia^[b]; ZHANG Binghui^[c]

^[a]Associate Professor, Department of Finance, School of Economics, Changchun University, Changchun, China.

^[b]Associate Professor, Department of Economics, School of Economics, Changchun University, Changchun, China.

^[c]Professor, Changchun University, Changchun, China.

*Corresponding author.

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Abstract

Finance is one of the most popular majors in higher education, whose professional courses cover the theoretical basis and practical skills related to finance. Learning finance knowledge is the basic path for students to master finance related knowledge and carry out financial work. This paper analyzes the characteristics of finance courses, based on the example of *Financial Engineering*, identifies the problems in classroom teaching and proposes appropriate countermeasures.

Key words: Finance; Professional course teaching; Problem; Countermeasures and suggestions

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INTRODUCTION

With the social and economic development, the demand for financial professionals is increasing. Finance has become one of the most popular majors in higher education. From the perspective of employment demand, employers' demand on the professionalism of financial

graduates has become increasingly higher, expecting them not only to acquire a solid theoretical foundation, but also a good application ability to get familiar with the post as soon as possible. Current students normally have strong communicative ability, but if finance graduates want to stand out in the tide of employment, they should pay attention to their overall qualities, as well as the amount of professional knowledge they have learned in school. Quite often, professional knowledge is also beneficial to the improvement of students' overall qualities. Therefore, students study professional knowledge hard in school, which can enhance their knowledge level, effectively improve their overall qualities, and have more active options to find a suitable and desirable work after graduation. In some colleges and universities today, some students often do not really focus on learning professional courses. They are not very clear about the characteristics of professional courses, not prepared, or do not know how to learn professional courses better. This paper analyzes the characteristics of some professional courses in finance, based on the teaching of *Financial Engineering*, for example, identifies the problems in classroom teaching and proposes suggestions to improve the learning efficiency of professional courses.

1. CHARACTERISTICS OF PROFESSIONAL COURSES OF FINANCE

There are many professional courses of finance. Zhang et al. (2001) classifies finance professional courses into basic courses, professional basic courses and professional courses, wherein basic courses and professional basic courses are moderately difficult, which need to take a long time to learn, to have a better understanding and apply these knowledge to analyze financial matters in the economic world. For example, we learn professional knowledge to know why the central bank would implement a prudent monetary policy at a certain stage, and how this

policy would affect the real economy, personal life and so on. There are some other professional courses which learn the knowledge and technology widely used in financial industry, and are considered as the “technical” professional courses in finance, such as securities investment, international finance, financial engineering, futures theory and practice, etc.. The “technical” professional knowledge often has a higher difficulty, which is characterized in the following three aspects.

1.1 Strong Theoretical Property

The contents of those “technical” strong professional courses of finance, are to use sharp thinking to apply financial theoretical knowledge into financial practice, or to develop innovative financial products to solve economic and financial problems. In the beginner’s stage, there is often more theoretical knowledge. Taking *Securities Investment* for example, the basic content of the course contains the basic knowledge associated with stock market, issuance and trading of securities and securities investment analysis, etc. It will not only make clear what is the theoretical definition of securities, but also identify the pricing of securities and timing of transaction. In the part of securities investment analysis, it also needs to learn the value determination and selection theory of underlying securities, such as capital and asset pricing modeling which belongs to the field of Nobel Prize winners, so the theoretical difficulties can be imagined.

1.2 Many Difficult Points

Taking *Financial Engineering* as an example, its main content is financial engineering fundamentals, and the main difficult points are selection of futures market contract (such as design of perfect hedging), forwards and futures pricing, interest rate futures pricing, swap pricing, options trading and strategy, share price behavior modeling, BS option pricing, binary tree valuation and yield curve modeling etc.. Learning these contents requires a careful thought and mindset of finance, as well as meticulous mathematical derivation and exquisite logical reasoning ability. In the training of many securities companies, these contents are more difficult and have a certain weight. To college students who have not yet contacted practice and begin to learn theoretical knowledge, the courses are determined to have a lot of difficulties.

1.3 Obvious Professionalism

Finance professional courses are of the expertise which students need to work within the future, thus have a strong professionalism. We still take Financial Engineering for example. Financial Engineering is one of the professional courses of finance, which describes the major innovative thoughts and important theories in the financial field, and collects the pricing and trading rules of major derivative trading varieties in the current financial market. China’s derivatives pricing in the financial market was also

derived from the theory of this course. In order to enjoy an initiative in the pricing and trading of derivatives, such as the five-year short-term national debt futures trading contract, what are the basic elements of the contract? What is the theoretical price? Is there a deviation from the market price? How to implement arbitrage to achieve profits? The theoretical basis for these market operations can be found in this course, but an outsider who has not learned the knowledge is very difficult to master it. Other finance courses have similar professional features. Only when a people learns the relevant expertise he needs to be able to grasp the essentials.

1.4 Strong Practicability

Finance is an important part of economic life. Finance professional courses can equip students with the necessary knowledge used in financial entities operations, thus has a strong practicality. Taking the development of financial derivatives market for example, with the development of China’s financial futures and option trading market, the related knowledge of financial derivatives pricing and trading has increasingly become one of the important theoretical basis that finance major students need to know. Finance professional courses are also closely linked with the development of financial entities. When a professional knowledge has more opportunities of application, it shows a stronger practicability in its course.

2. PROBLEMS OF THE CLASSROOM TEACHING OF TECHNICAL PROFESSIONAL COURSES

2.1 Low Classroom Atmosphere

In the teaching processes in the past, teachers usually talked hard, but students could not participate in actively. Whenever a teacher talks about such things, he would express that he was helpless, feeling that students did not listen carefully, and could not take the initiative to think. This may be due to the age of fragmented information, when students are able to browse a wide variety of messages in school. Too many messages often make students flow casually with “interest”. They read this news today, read that message tomorrow, but can not focus on one message, leading to the word “concentrate” inapplicable to the current learning way of students. However, the “technical” professional courses of finance have some difficulties, requiring students to know these and know why, and have the ability of theoretical derivation and shiftable thinking. Learning such courses will not have the feeling of watching the news or reading stories. If slightly inattentive, students can no longer understand them, so some students simply do not listen to them. In a classroom with not much “interesting stories”, students are considered to be qualified enough if they

are able to “concentrate” to catch the idea of the teacher. Therefore, if students lose their heads in class, neither focus on learning nor have positive performances, the classroom atmosphere would be very low.

2.2 It's Difficult to Master Course Content

Taking *Financial Engineering* for example, different from other finance professional courses, the basic knowledge of *Financial Engineering* emphasizes pricing process, including financial derivatives pricing, swap pricing and options pricing, etc. Taking financial futures pricing for example, it includes financial derivatives pricing based on various underlying assets, such as those based on non-interest stock, discount bond, cash dividend stock, stock index with known dividend yields, interest rate, pricing of futures contract of underlying assets such as gold and silver. Stock, bond, gold and silver are our familiar financial assets, but their price trends are difficult to capture accurately. Some studies show that spot price and futures price have a certain relevance and have a convergence. Spot price is difficult to predict, while futures price is related with the spot price, and has distinct characteristics from spot price. Pricing of derivative products has been studied by world famous economists and mathematicians indefatigably, and some of the content have won the Nobel Prize. Therefore, pricing of the financial derivatives based on these basic financial assets is a more difficult content. Faced with these advanced knowledge system, students can not expect to master them overnight.

2.3 Difficult To Combine With Practice

Shanghai and Shenzhen 300 stock index futures contracts launched on April 16, 2010 is China's first financial derivatives trading contract, which opens a door to China's financial derivatives trading. In September 2013 the first three five-year short-term bond futures contracts were listed on China Financial Futures Exchange. In August 2013 Shanghai Stock Exchange launched emulation trading of stock options, and in February 2015 China launched stock option trading. These innovative behaviors of financial market have all used financial professional knowledge of derivatives pricing and trading theories. Another example is financed major students of grade 2010. When they just entered university, these tangible financial derivatives have just entered the market, and because of its high professionalism and investment barrier, college students generally do not have an opportunity to invest in financial derivatives, so that the students would be difficult to combine theory with practice. Universities would generally provide relevant training courses, but due to the set training conditions and lack of time effectiveness, it's difficult for students to participate in and have a sense of immersion.

3. SUGGESTIONS TO ENHANCE THE LEARNING EFFICIENCY OF PROFESSIONAL COURSES

As a full-time teacher of finance, the author can perceive that college students are eager to acquire knowledge, but they may just not fully understand the importance of finance professional courses, or have no clear purpose, no correct learning attitude, or are not sufficiently attracted to classroom, etc.. These may be the causes of their half-baked knowledge in learning. This paper proposes a number of countermeasures to enhance learning efficiency from the perspectives of teachers and students.

3.1 Student Must Adhere to Preview and Review to Resolve Problems

Currently, not many college students preview courses. Preview is an important way to learn a professional course well. Preview allows students to perceive the difficulty degree of a course in advance, understand the hierarchy of the knowledge, and pay directed attention in class. For those highly professional and difficult contents, preview also allows students to have time to use their own network resources to find relevant information, learn the relevant knowledge in advance, and have an in-depth understanding of the course. Listening to the teacher on the basis of the preview will achieve multiplier effects. Furthermore, students can take advantage of free time to review courses, in addition to completing teachers' assignments, they can continue to use the resources around them to find relevant information and figure out problems, not to retain today's problems unresolved. Timely absorption is an important way to learn professional courses.

3.2 Teachers Should Use a Variety of Teaching Methods to Activate Classroom Atmosphere

Fang (2013) proposes taking a variety of reforms in classroom teaching, such as case teaching, heuristic teaching and project teaching, etc., to promote students to think and practice, and improve their abilities of analyzing and solving practical problems. Contemporary college students expect to be awakened by diverse course contents and learning experiences. Faced with this new situation, giving methodical and patient guidance to arouse students' thirst for knowledge is an optional teaching method. Classroom teaching is not just a teacher talk - student listen style indoctrination. Teachers can take advantage of received trainings and practical experiences to develop appropriate teaching methods from multi-dimensional perspectives. For example, teachers can use case introduction, default problem, Q&A by lot, systematic examination and other teaching methods to mobilize students' thinking, so that students can focus on learning and the acceptance, understanding and absorption of the

knowledge. To be specific, case introduction means that cases directly related to the course are to be introduced after the main content of the course is summarized. Default problem means that a course content is divided into a number of small questions. Students are allowed to make a choice. What question they want to know firstly, the teacher will turn to the question firstly. Systematic examination remains in the final stage of a course. Taking into account the amount and difficulty degree of the course content, the teacher will leave enough time to carry out systematic examination and complete systematic learning of classroom knowledge.

3.3 Teachers and Students Should Both Use Knowledge Actively to Participate in Social Practices

Yang (2011) proposes that finance major should vigorously strengthen experiment, internship, practice, graduation thesis and other practical teaching methods. We believe that teachers and students of finance should also go to major financial organizations to understand financial practices, participate in various online trading games, simulation trainings, participate in various teaching practices under the organization of university, or be involved in low-threshold financial management. For example, everyone can participate in a virtual securities and financial transaction in a form online financial laboratory. Those who are interested can go to financial organizations to join in the cultivation of financial management sluggers. Meanwhile, everyone can go to a stock exchange to open an account for trading. Overall, if finance major students learn professional knowledge well, they have many opportunities to participate in social practices. The students should be good at fully developing their own resources to participate in social practices under the organization of the university and teachers. They should test their learned knowledge in practice, make up for the deficiency and put into practice what they have learned.

CONCLUSION

This paper analyzes the characteristics of finance professional courses, discusses the problems in learning the courses, and puts forward some suggestions to solve these problems. Researches show that finance professional courses have characteristics of strong theoretical property, many difficult points, highlighted professionalism and strong practicability. Due to these features of finance professional courses, there are many problems in finance course teaching, such as low classroom atmosphere, difficult to grasp course content, and difficult to combine theory with practice, etc.. However, in the face of a large number of finance courses in China, we must take into account both theoretical depth and practical breadth, and recommend students and teachers to make joint efforts in finance learning. Students must adhere to preview and reviewing content to resolve problems, and teachers should use a variety of teaching methods to activate classroom atmosphere. Teachers and students should be both actively use knowledge to participate in social practices. However, finance professional course learning is also confined to different teaching environments and audiences. In order to achieve the perfect effect of teaching and learning, we should also make more explorations, such as improving theoretical and practical teaching systems, improving teaching software and hardware environments, etc.. Only when we make joint efforts, we can achieve a good teaching effect and train more excellent application-oriented talents.

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