



對外經濟貿易大學
UNIVERSITY OF INTERNATIONAL BUSINESS AND ECONOMICS

Chapter 9

The Financial System





I. 教学目的

The student will learn about

- the functions of financial system
- the participants in financial system
- the financial intermediaries and their respective functions




II. 教学计划

This chapter will cover 3 hours. 2 hours for the introduction of background information and explanations of terms and the texts. And the other 1 hour for discussion and practice.

III. 教学方法

- Translation: key sentences and terms
- Paraphrasing: major words and sentences
- Summarizing: important paragraphs
- Discussion: key issues
- Questions and answers



IV. 背景知识

- ◆ Everyone has some contact with the financial system. Banks, building societies and insurance companies provide in their respective way for some of our everyday needs, such as payment facilities through bank, convenient savings and access to home loans from building societies, and car, house, or life insurance.



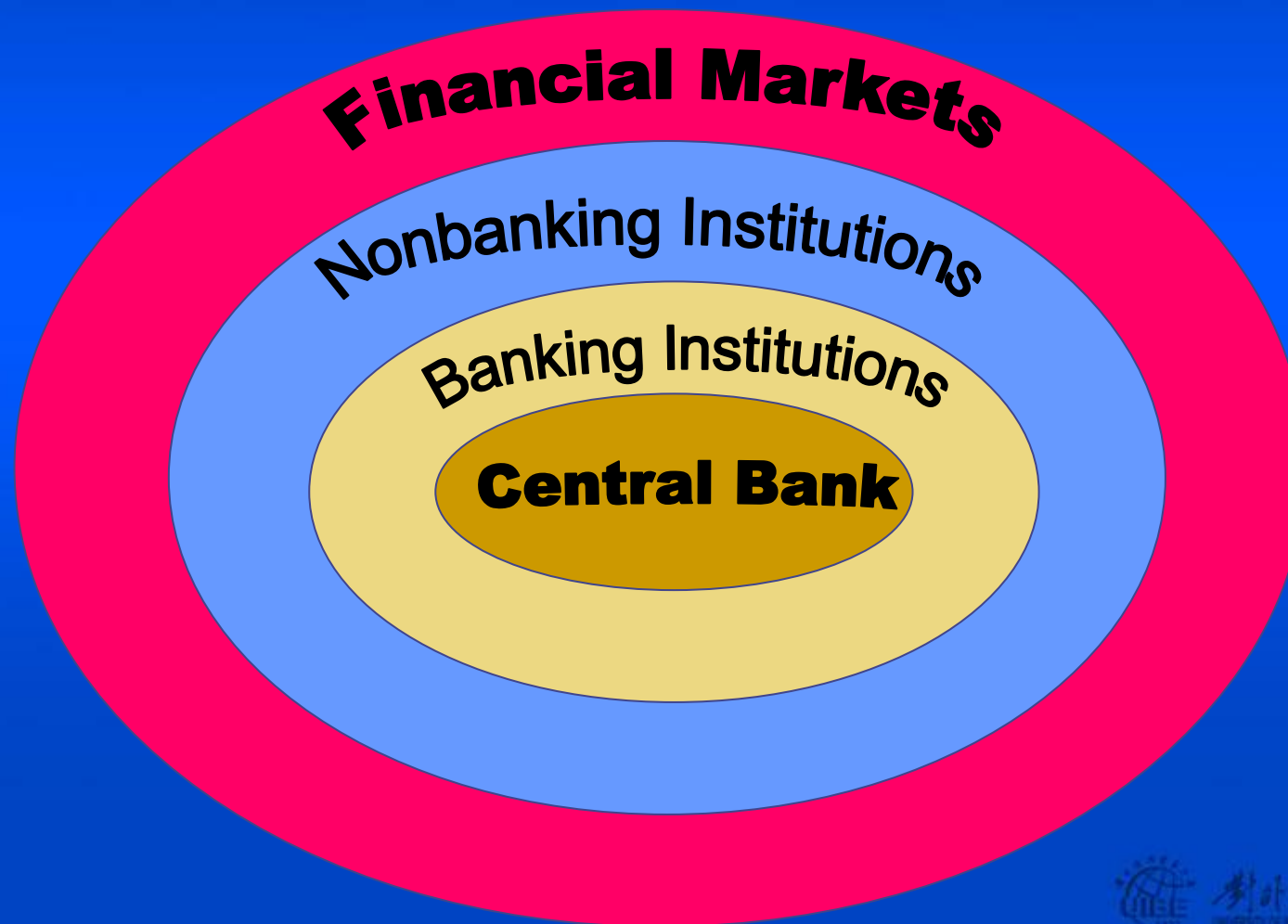
◆ Financial system = markets and institutions through which funds flow between lenders and borrowers



◆ Major functions:

- channeling household savings to corporate sector
- allocating investment funds among firms
- allowing temporal smoothing of consumption
- enabling households and firms to share risks

A country's financial system:





Classification of Financial Markets

◆ By maturity:

- money markets
- capital markets

◆ By time of delivery:

- spot markets
- futures markets



Classification of Financial Markets

By issuance:

- primary markets
- secondary markets



By types of financial assets:

- stock market
- bond market
- mortgage markets
- consumer credit markets
- foreign exchange



V. 重点讲解

1. 概念讲解

◆ payment facilities 支付工具:

means of payment including credit cards, checks, traveler's checks, letters of credit, and payment orders such as documents against payment and documents against acceptance



◆ investment trust (company) 投资信托公司:


a financial intermediary that pools the funds of individuals and invests those funds in securities such as stock, bonds and money market instruments

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- ◆ venture capital company 风险投资公司: a financial intermediary that supports and promotes investments and technological development in firms by temporarily holding shares in the capital of those firms



◆ venture capital 风险资本:

is risk money, funds which are invested for the initial risks of a new and potentially rapidly growing company or a newly developed growth product. It is used for the risk expenses which cannot usually be financed by a bank loan



◆ discount house 贴现行: a financial intermediary that specialize in buying and selling bills of exchange and other commercial papers at less than the face value

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- ◆ securities 有价证券: documents that have some value or represent something of value, e.g. share certificate, bond certificate, life insurance policy, etc.




◆ money market 做市商:

market that caters for borrowing and lending of funds for 1 year or less



◆ money transmission facilities 资金汇送工具：
financial means that facilitate the flow of funds


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- derivative instruments 衍生
金融工具 : securities
whose value is based on /derived from the value of
equity and debt
 - forwards 远期(合同)
 - futures 期货
 - options 期权
 - swaps 互换/换汇/
掉期

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- ◆ liquidity流通性/变现力: the ease with which an asset can be converted into cash at close to the published market price
 - ◆ maturity偿还期: the date of scheduled repayment of an obligation




2. 句子讲解

- ◆ Today satisfactory payment facilities offered by the banks are so crucial in our daily life that we accept them readily without proper appreciation. However, to make economic activity productive, we depend not only on the existence of these payment facilities but also on business firms who able to get short-term credit in the money market.
- ◆ 今天我们总是将令人满意的支付工具视为理所当然的东西，但是经济生产活动正是依赖于它们的存在，更依赖于商人们拥有获得短期信贷工具的合理途径。




◆ By their very nature financial institutions attract criticism: bankers would not be doing their jobs if they did not turn down some requests for loans, and those who are denied funds sometimes feel hard done by and are vociferous in their complaints.

◆ 金融机构天生就容易招惹批评：如果银行不拒绝几份贷款请求，那它们就没有尽职尽责；而那些被拒绝了借款的人有时会感到待遇不公，甚至愤愤不平，高声抱怨。



◆ The control which financial institutions wield over very substantial sums of money also attracts the attention of governments, partly because they may see irresistible opportunities to secure cheap finance for favored borrowers (notably governments themselves), and partly in view of the economic power attached to control of finance.

◆ 金融机构掌管大量金钱同样也引来政府部门的目光，一方面是因为它们从中看到了可以为自已偏爱的借款人（尤其是政府本身）获取低廉融资的不可抗拒的机会，另一方面是因为金融管理所附带的经济权力。

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- ◆ Moreover, while there is nothing to prevent savers and investors from dealing directly with each other if they wish, the existence of financial institutions makes direct contact unnecessary, since both groups can deal with the intermediating institutions.
 - ◆ 另外，尽管没有任何东西能够阻挡储蓄者和投资者在他们愿意的条件下直接交易，但是，金融机构的存在使得他们没有必要直接签署合约，因为双方都可以与中介机构接洽。