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Course title: FinTech

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The Actuality of the Course

The FinTech revolution is rapidly transforming the financial industry. The use of digital technologies is the norm, and together with regulatory and market changes it is creating a revolution.

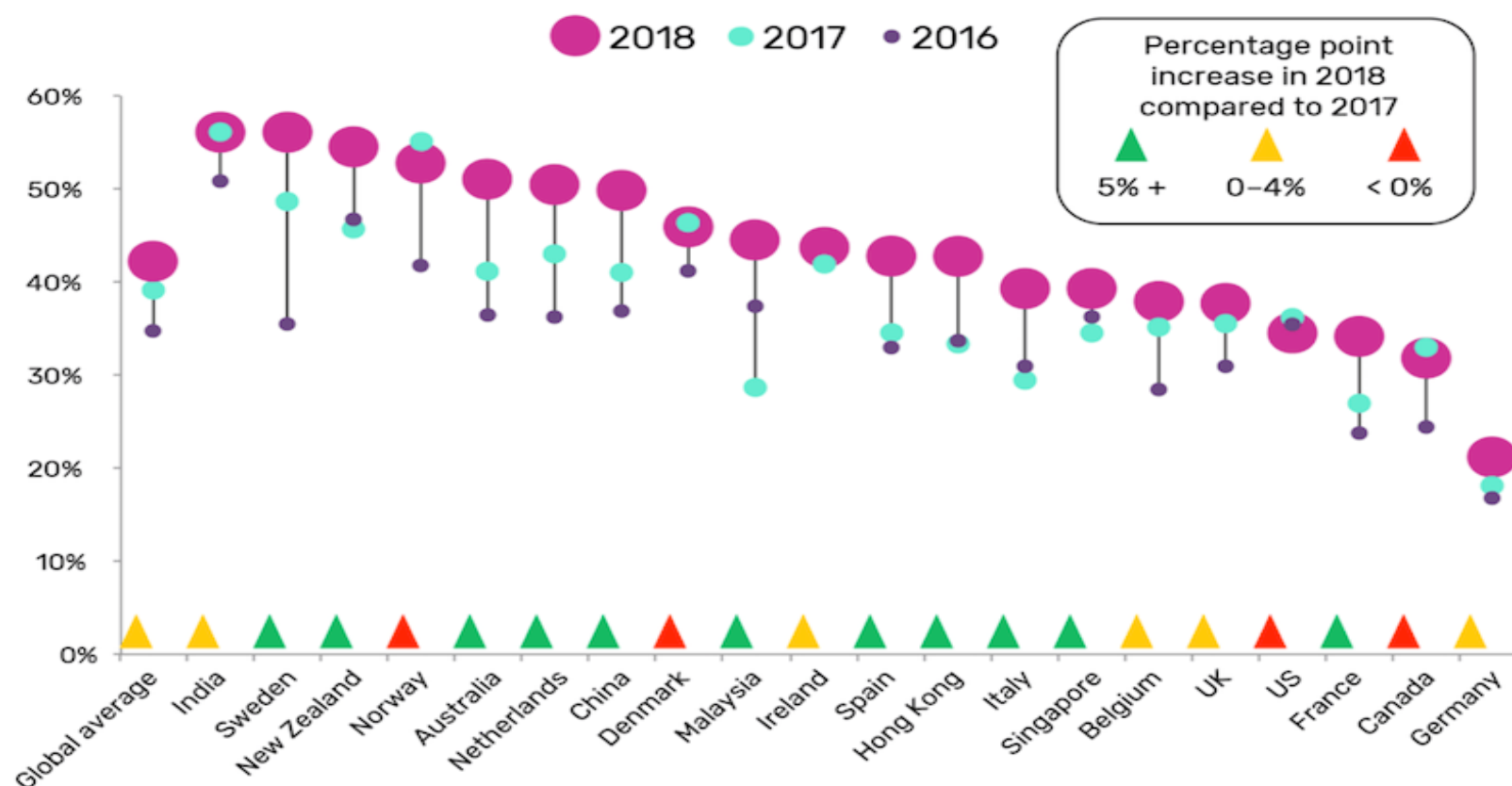
The necessity of this course is dictated by:

- the changes in the way of data storage and processing
- the consumers' demands to increase the speed of financial transactions and to exclude intermediaries
- the need to understand the risks generated by financial transactions in the virtual environment



to be more convincing

Proportions of online consumers with a current account who use mobile banking on a daily or weekly basis



Overall, the global proportion of frequent mobile banking users witnessed a 3% growth from 39% in 2017 to 42% in 2018, but there was significant regional variation.

Source:
<https://www.globaldata.com/global-mobile-banking-usage-highest-india-sweden-sees-fastest-growth-says-globaldata/>



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Fintech is everywhere

In according to on-line platform <https://hollandfintech.com/fintechnews/> Grupo Santander's digital bank [OpenBank](#) has announced on 06.02.2020 its entry into the Dutch market with a full suite of retail banking services, Outside of Spain, OpenBank has a presence in Germany, Portugal and now the Netherlands, with Argentina on **the roadmap** – with a client base of 1,2 million users in Europe, of which 43% use Open Bank as their primary bank.

Or... The Netherlands – the rise of a new fintech hub. InnovationHub was set up by De Nederlandsche Bank (DNB, Dutch central bank) and Autoriteit Financiële Markt (AFM, Financial Markets Authority) (<https://www.fintechfutures.com/2019/05/the-netherlands-the-rise-of-a-new-fintech-hub/>)

Crowdfunding has grown rapidly in the Netherlands. €329 million was raised in 2018 – up 48% from €223 million in 2017.

But.. The Netherlands is yet no experience the full benefit of ICO, but interest is certainly growing.
(By [Iwanna de Jonge](#), PR consultant, Progress Communications, Amsterdam, and [Ben Cossor](#), fintech account director, The PHA Group, London)



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Course Structure

Topic 1. INTRODUCTION AND FUNDAMENTALS OF FINTECH AND THE DIGITIZATION OF THE FINANCIAL INDUSTRY

Topic 2. DISTRIBUTED LEDGER TECHNOLOGIES (DLT)

Topic 3. DIGITALISATION OF THE MONEY AND PAYMENTS

Topic 4. LENDING AND CROWDFUNDING

Topic 5. FINTECH INNOVATIONS AT BANKS

Topic 6. INFRASTRUCTURE AND REGTECH



Brief Description of the Course

The course includes fundamental and applied elements.

- The fundamental element is oriented towards building the understanding of the nature of FinTech revolution, prospects of evolution of financial industry and advantages and risks that the FinTech revolution generates for main stakeholders of financial industry.
- The applied elements will get the students acquainted with the main notions of FinTech, main FinTech products and models of their implementation.

Course duration: 40 class hours, 110 hours of individual study.

The course consists of lectures (26 hours) and tutorials (14 hours). The tutorials involve student presentations (in small groups), problems solving, *case analysis* and the individual assignment (project).



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Learning Outcomes

Comprehension

- Know history and reasons of development of FinTech.
- Understand nature, economic aspects and principles of functioning of FinTech products.
- Understand the complexity of the payment infrastructure, crypto-currency, the model of lending and crowdfunding
- Understand perspectives and problems of using FinTech

Application

- Identify and explain the key payment instruments and how they function.
- Recognize changes in the regulatory frameworks and how they inhibit or promote innovation

Analysis

- Evaluate the implementation risks in FinTech for providers and customers of financial services
- Analyze factors of evolution of FinTech.

Synthesis

- Simulation of a token issue on virtual platforms following their rules (ICO)
- Design a presentation of the results of case study



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Assessment and Grading

Students' progress will be measured by students' activities in making team's project and a final exam.

Practical modality of final assessment: writing paper (descriptive and/or multiple choice test and/or issues solving etc.).

The final grade consist of two components:

- Current performance and case study (formative assessment)- 60%;
- Examination mark(final evaluation) – 40%.

Financing a Business Idea through ICO

CASE STUDY

Introduction of the Case / Problem

- In order to borrow money on online platforms, it is necessary to carry out actions specific to the virtual environment.
- Students need to know the specifics of online loans and how they are made.
- It is also important to evaluate the efficiency of the funded project and the ability to convince the co-financers.
- For these reasons it is proposed to simulate the financing of a project through ICO.
- This method involves evaluating the project and describing it in a way that is simple enough to be understood by donors.

The Research Question

- ***How can a project be funded through fintech tools? What are the benefits and risks of this financing??***
- Our case study instructs students about the method of attracting funds to finance ideas or start-ups without resorting to banks or microfinance funds.
- However, students apply knowledge from other disciplines, such as: Investments, Banking, Project Financing. They will be able to evaluate various financing methods and choose the optimal one

Learning Outcomes of the Case Study

- Students will be able:
 - to select the necessary information, available online;
 - to analyze market to identify a viable project
 - to evaluate the efficiency of the project based on the theoretical and application criteria
- Systemization and concise presentation of calculations, their description and conclusions
- Interpret basic descriptive and financial information during practical sessions and a final exam;
- lead into elaboration of a concise paper reporting on case study and explaining the results;
- apply excel knowledge for making calculations and elaborate the founding plan

Assignment / Task for the Students

- Students will work on the assignment collaboratively in groups of four students (Students select their teammates). Each group will work on your own project.
- Under teacher supervision, each team (4-6 students) will perform the case study approach report following the structure, requirements and deadline.
- The set of enquiries that required teams to search for, analyze, and synthesize information, apply the appropriate learning theory, and come up with a viable solution to the problem are presented below

Case Study Requirements

I. The introduction of the case study:

- Find the project needed to be developed
- Find the ICO platform

II. Simulation of ICO

- Study the platform's criteria for ICO
- Write the White Papers based on platform's criteria
- Composing the Road Map based on platform's criteria

III. Financial analyses

Analyze the efficiency of ICO using the evaluation indicators

Task for the Students

Task for the students:

- Based on the financial analyses outcomes in the style required by a platform that houses the ICO they will write a memo 8-10 pages, and will emphasize main case study outcomes according to the given structure.
- This case study will be presented and oral using ppt.

Assessment

I. Case study writing memo evaluation form (80%):

Criteria	Max points	Evaluators points
Business Description	5	
Industry Overview & Competitive Positioning	15	
Financial analyses approaches and risk models methodologies summary	20	
Financial Analysis	30	
Founding Risks	20	
Conclusion and recommendation	10	
Total	100	

II. Oral Presentation Scoring Sheet (20%):

Criteria	Max points	Evaluators points
<i>Financial Analysis and Risk assessment</i> How the efficiency and risk indicators of the project were used and calculated. How they are explained in the white paper?	50	
<i>Presentation</i> How effective/convincing was their presentation? Was it logical and did the facts support the recommendation?	15	
<i>Question & Answer</i> Were they able to answer the questions effectively and with confidence?	15	
<i>Team Involvement</i> Team involvement in the presentation/questions and answers.	10	
Materials Quality of slides	10	

Final Assessment

Scale assessment:

Score ($0,8 \cdot I + 0,2 \cdot II$)	0-14	15-24	25-34	35-49	50-54	55-64	65-74	75-84	85-94	95-100
Mark	1	2	3	4	5	6	7	8	9	10