

“Fintech” -- Financial Economics, Semester 2

Spring 2020

Bar Ilan University One Year Program

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Syllabus

Course aims

The global economy is on the brink of a Fourth Industrial Revolution. Advances in artificial intelligence (including machine learning), robotic process automation and blockchain technology are creating unprecedented new opportunities to add & monetize value in Financial Services-as-a-Service:

- Marketplace lending
- Cash flow management: digital wallets & payments
- Investment advice & implementation: robo advice

These advances are also changing the very nature of financial service institutions.

The goals of this course are:

1. To survey the above opportunities, as well as the technologies that enable them
2. To understand the opportunities and challenges fintech companies face in building relationships with banks
3. To understand how fintech may be changing the nature of financial service corporations (including banks)
4. To identify important regulatory issues (e.g., data security & privacy) that fintech providers must address.

Course outcomes

After completing this course, the student will possess:

- Sufficient understanding of the above opportunities, and the technologies enabling them, to become at the very least, an intelligent user.
- A deeper understanding of why fintech is both attractive to and problematic for financial service corporations
- A deeper understanding of the ways in which existing corporate culture and social relationships constrain financial service corporations' willingness and ability to adopt new fintech technologies

Course outline

Lectures	Topic
1-3	Introduction: what is fintech?
4-6	How is fintech changing the nature of financial service corporations
7-8	Marketplace lending
9-10	Digital wallets & payments, incl. blockchain
11-13	Robo advice

Course grade

1. Class participation: 10%
2. Final exam: 90%.

Reading List

Darden business case: Allayannis, George Yiorgos, and Kayla Cartwright. "Cutting through the fog: finding a future with Fintech." (2017).

Harvard business Case: Margolis, Joshua D., et al. "Leading Bank Leumi into the Future." (2019).

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Harvard business case: Datar, Srikant M., and Caitlin N. Bowler. "LendingClub (A): Data Analytic Thinking (Abridged)." Harvard Business School Case 119-020, August 2018. (Revised September 2018.)

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Harvard business case: Viceira, Luis, and Allison Ciechanover. "The wealthfront generation." (2016).

"When to Trust Robots With Decisions and When Not To", Dhar V., Harvard Business Review, May 2016, <https://hbr.org/2016/05/when-to-trust-robots-with-decisions-and-when-not-to>

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"Big Data is Better Data," Kenneth Cukier, TED talk, September 23, 2014, https://www.ted.com/talks/kenneth_cukier_big_data_is_better_data?language=en

"Digital Disruption - How FinTech is Forcing Banking to a Tipping Point", Citi GPS: Global Perspectives & Solutions, Mar 31st, 2016 - <https://ir.citi.com/D%2F5GCKN6uoSvhbvCmUDS05SYsRaDvAykPjb5subGr7f1JMe8w2oX1bqpFm6RdjSRSpGzSaXhyXY%3D>

Sia, Siew Kien, Christina Soh, and Peter Weill. "How DBS Bank Pursued a Digital Business Strategy." *MIS Quarterly Executive* 15.2 (2016).

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Accenture, "Seven out of 10 Consumers Globally Welcome Robo-Advice for Banking, Insurance and Retirement Services, According to Accenture," January 11, 2017, <https://www.accenture.com/us-en/insight-financial-services-distribution-marketing-consumer-study>

Deloitte, "The Next Frontier: The Future of Automated Financial Advice in the UK," 2017, <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/financial-services/deloitte-uk-updated-robo-advice-new-horizons-layout-mww8.pdf>

BCG-Google, "Digital Payments, 2020", B. Beardsley, H. Donnadieu et al., July 2016, http://image-src.bcg.com/BCG_COM/BCG-Google%20Digital%20Payments%202020-July%202016_tcm21-39245.pdf