

RSM 419 Chinese Markets and Investments

Course Outline

Course Code	RSM 419 H1S
Course Name	Chinese Markets and Investments
Term, Year	Winter 2026
Course Time	Wednesday 5-7pm, RT 142
Web page URL	https://q.utoronto.ca

Instructor Details

Name	Email	Phone	Office Hours	Office Link
Hai Lu	hai.lu@rotman.utoronto.ca	416-946-0677	Tuesday 3-4pm	RT 530 (Rotman north building)

Course Objectives

This course is designed to help students gain insights into Chinese institutions that can facilitate investment decisions in Chinese capital markets and a few specific industries. Understanding the institutional environment in China is important because it exhibits significant differences from shareholder-driven Western economies. The course begins by introducing a stakeholder approach to understand Chinese markets and highlighting the major differences relative to the capital markets in developed countries. Subsequent classes are devoted to understand the behaviors of market participants and to provide an overview of a few important industries in China. Specifically, topics include information quality and earnings management, high-speed train network, sustainable development and ESG, clean energy, carbon neutrality, artificial intelligence, digital economy, silver industry and healthcare, etc..

A broader objective of this course is to raise awareness for a thorough understanding of the relevant institutions and a few selected industries in China to facilitate investment decisions.

Course Prerequisites

9.0+ Credits Completed

Course Materials

Required Readings

Some references are listed in the *Tentative Class Schedule* at the end of the course outline. There is no textbook for the course because the material is based on recent research papers and industry reports written within the past few years. Students may be asked to read a small number of research papers or reports, but the course is largely based on lecture slides and in-

class discussions. As we go along, I will let you know when each of the required readings should be done. Please always focus on understanding the main ideas, rather than technical details.

Evaluation and Grades

Work	Percentage of grade	Due Date
Class Participation	10%	Ongoing
Group Assignment 1	10%	February 11
Group Assignment 2	10%	February 25
Mid-Term Test	40%	March 11
Group research project and presentation	30%	See weekly schedule

Course Format and Expectations

The expectations for each category are explained below:

Class participation – Attend classes and actively participate in discussions, asking/answering quality questions, etc..

Group assignments – Complete two group homework assignments.

Middle-term test – An in-class middle-term exam will be conducted to assess your understanding of the content studied in the first eight weeks.

Group research project – Each group consists of 3-4 members. You are asked to conduct research with the intention of investment in a specific company (you will be provided a list of approximately 300 firms), complete a research report, and make an investment recommendation. Each team is required to make a presentation in class to summarize some key points in the report.

Missed Test

Students who miss the mid-term test for reasons entirely beyond their control (e.g., illness) may request special consideration for a make-up test.

In such cases, students must:

1. Notify the instructor **before or on the date** of the missed test.
2. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration> and provide documentation to support the request, e.g., Absence Declaration from [ACORN](#), medical note etc. within **2 business days** of the originally scheduled test..

Students who do not provide this information will be given a grade of 0 (zero) for the missed test.

Late Assignments

All assignments are due in class on the date specified in class schedule. Late submissions will normally be penalized by 20% if the assignment is not received at the specified time. A further penalty of 10% will be applied to each subsequent day.

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation may be required.

Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or [visit the Accessibility Services website for more information](#) as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

Generative AI/ChatGPT

Students may use generative artificial intelligence tools as they work through the individual assignments and the group project; However, this use must be documented in an appendix for each assignment. The documentation should include what tool(s) were used, how they were used, and how the results from the AI were incorporated into the submitted work.

The use of generative artificial intelligence tools and apps is strictly prohibited in the mid-term.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

Tentative Weekly Schedule

Session	Topics	References (To be finalized)	Assignment
Class 1 (Jan 7)	Chinese Economy and Financial Markets: Overview Shareholder vs. Stakeholder Framework	Xiaodong Zhu, 2012. Understanding China's Growth: Past, Present, and Future. <i>Journal of Economic Perspectives</i> , 26, 4, 103-124 Franklin Allen, Jun Qian, Chenyu Shan, Julie Zhu, 2023. Dissecting the Long-term Performance of the Chinese Stock Market. <i>Journal of Finance</i> . Xiaodong Zhu, 2023, China's productivity Challenge. Working Paper	
Class 2 (Jan 14)	Information Environment and Earnings Quality in China: Field Evidence	Information Quality in China's Capital Market and the Information Transparency Index, 2019-2024 White Papers, Guanghua-Rotman Center for Information and Capital Market Research Hai Lu, Jee-Eun, Shin, and Mingyue Zhang, 2023. Financial Reporting and Disclosure Practices in China, <i>Journal of Accounting and Economics</i> .	
Class 3 (Jan 21)	Incentive and Strategic Behavior of Market Participants	Market Efficiency, Case 1: Anonymous company	
Class 4 (Jan 28)	High Speed Train Network: Government Decision under Stakeholder Framework	Connected Stakeholders. Case2: High-Speed Rail Network Papers published in academic journals on the effect of high-speed trains on local economy and labor market.	HW1 distributed
Class 5 (Feb 4)	Investing in Sustainability	Global Regulations and Trends, ESG Rating and Measurement Lu, Hai, Jee-Eun Shin, Emma Wang, 2025. Inside the "Black Box" of Corporate Sustainability Practice: Evidence from Longitudinal Surveys, Working paper.	
Class 6 (Feb 11)	Sustainability: Field Evidence	Carbon Peak and Carbon Neutrality (2060) in China, Green Supply Chain Case 3: Envision Energy	HW1 due, HW2 distributed

Reading week (Feb 16-20), No Class			
Class 7 (Feb 25)	VC/PE investment, AI, and EV	Various research reports and white papers	HW2 due, Group research project distributed
Class 8 (Mar 4)	Silver Economy, Digital Economy, Healthcare	Various research reports and white papers Hanewald, K., Bateman, H., Fang, H. and Wu, S., 2020. Is there a demand for reverse mortgages in China? Evidence from two online surveys. <i>Journal of Economic Behavior & Organization</i> , 169, pp.19-37.	
Class 9 (Mar 11)	Term-Test (Topics covered in Class 1-8)		
Class 10 (Mar 18)		Guest Speech	
Class 11 (Mar 25)	Group Research Project (I)	Group Presentations, Discussions on Investments	Slides due on 24/3 (a day before presentation), research report due on 3/4
Class 12 (April 1)	Group Research Project (II)	Group Presentations, Discussions on Investments	Slides due on 31/3 (a day before presentation), research report due on 3/4

Please note that the last day you can drop this course without academic penalty is March 16, 2026.