USCMarshall
School of Business

FBE 504 – The FinTech and Blockchain Revolution

Syllabus – Spring 2024 – Monday – 6:30-9:30 p.m. – 1.5 Units

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Course Description

As new models of finance transition to mainstream offerings, consumers, entrepreneurs, CFO's, and investors will have more options than ever to finance themselves, their businesses, and invest. This course will dive into selected emerging models, review underlying financial principles, and dissect mechanics of execution. The objective is to provide students a functional understanding of each model from the perspective of various stakeholders and gain the ability to evaluate financing sources during their professional and personal lives.

Learning Objectives

After completing this course, the student should be able to:
1. Articulate new business models that are changing the landscape of finance and blockchain
2. Highlight underlying financial principles related to each model
3. Analyze advantages & disadvantages of emerging models vs. traditional models
4. Expose myths that pervade the corporate world, Wall Street, and Main Street about new financial businesses
5. Identify strategic and financial determinants of choosing specific financings options
6. Apply emerging financial trends to practical decisions for managers in strategic planning, performance measurements, capital structure, and risk

Required Materials

1. Reading List will be attached
2. Instructor's Notes to be posted to Blackboard
3. PowerPoint presentations to be posted to Blackboard.

Prerequisites and/or Recommended Preparation:

This course assumes that the background knowledge of students includes basic finance and accounting.

Course Notes:

The course will be in the form of lectures, guest speakers, and class discussions.
Copies of lecture slides and other class information will be posted on Blackboard.

Grading Policies:

Students will be graded on a 100-point basis. Your grade will not be based on a mandated target, but on your performance. Three items are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students in the class.

Class Participation (15%)

Attendance and participation are essential for success in this course. A successful class will have continuous dialog from the students both with the professors and the guest speakers.

After the enrollment in the course has stabilized, a seating chart will be established. Once the seating chart has been created, please remain in that seat for the rest of the semester. This will help assure that class participation is accurately recorded and rewarded.

Mid-term (35%)

The Mid-term will be closed-book, closed-notes, and will be comprised of multiple-choice questions from the assigned reading, class discussions, and guest speakers.

If you are unable to take the midterm, the following rules apply:

(1)   If you fail to inform the professors in writing before the midterm begins, you will receive a zero grade, even if you have a valid excuse. An exception will be made if you have a note from your doctor that you were unable to communicate your excuse.
(2)   If you inform the professors in writing before the midterm begins and you have an acceptable excuse, we will work with you to find a time to reschedule.

Week 8 Quiz (10%)

The Week 8 Quiz will be closed-book, closed-notes, and will be comprised of multiple-choice questions from the assigned reading, class discussions, and guest speakers.

If you are unable to take the quiz, the following rules apply:

(1)   If you fail to inform the professors in writing before the quiz begins, you will receive a zero grade, even if you have a valid excuse. An exception will be made if you have a note from your doctor that you were unable to communicate your excuse.

(2)   If you inform the professors in writing before the quiz begins and you have an acceptable excuse, we will work with you to find a time to reschedule.

Team Project (25%)

The team project is a substitute for a final exam. The purpose of this project is for you to apply what you have learned in class and at Marshall to the emerging Industry of FinTech. Each group should consist of 4-6 students.

You can pick from two options:

1. Identify an existing FinTech or Blockchain company (please do not choose a company that speaks in class) and perform a comprehensive analysis of its business model. What does success look like in the next 3-5 years? At a minimum, please include the following:
   a. **Market Overview:** The criteria used to select company. Things like Market size, share, and dynamics should be addressed.
   b. **Value Proposition Analysis**: Product evaluation including analysis of perceived value to customers. Review management processes and corporate governance systems that are used to operate the organization. Make sure to consider external regulations.
   c. **Financial Analysis:** How the firm's business portfolio, mergers and acquisitions (if any), capital structure, dividend policy and investor communications contributed to the creation and sustaining shareholder value.
   d. **Go Forward Strategy:** Most importantly, your assessment of what the firm should do or change to improve / increase its success.

2. Or, you may put on your entrepreneurial hat and propose a business plan for a new FinTech or Blockchain company. Consider this a pitch to early-stage investors. At a minimum, please include the following:

   a. **Market Overview and Value Proposition:** Reason for creating the company. What need in the marketplace is it solving?
   b. **Market Mapping:** Market size, competitors, industry dynamics should be addressed. Where does this company fit into the growing FinTech or Blockchain landscape? Make sure to consider external regulations.
   c. **Financial Projections:** Unit economics and 5-year financial projections.
   d. **Go Forward Strategy:** What are you asking for? Debt, equity, partnership, synergies, etc.

Regardless of the project you choose, milestones for the projects will be due throughout the course. Project deliverables and dates will be discussed on the first day of class.

Presentations of Team Project (5%)

During the final exam period, each team will present the highlights of their FinTech or Blockchain project to the entire class. The report should not be longer than 15 minutes.

Individual Contributions to Team (10% of your grade)

Group Projects provide a valuable learning experience – how to work effectively and efficiently in groups (a common practice in Corporate America), learning from others, and sharpening a student's ability to communicate to others. However, human nature being what it is, some students are tempted to relax and let others carry the load. In order to provide an incentive for all students to make maximum contributions to the team project, an individual evaluation of your contribution to the team grade will be assigned. Grades for individual student contributions to team projects are assigned by the professor(s), based on observations of the team's working dynamics, assessment of the team's project quality, and thoughtful consideration of the information provided through your peer evaluations. You will be also be required to evaluate your own performance and the performance of your team members by each deadline. Peer evaluations are standardized and required from each student. Any issues with peer evaluation grading need to be communicated to the professor(s) within 3 days of receiving your grade.

The description of your contributions is to be submitted by each student via email to the instructors before the last day of classes. A form will be provided. Simply list each person on the team and describe their contributions to the team project and presentation. Submission of these descriptions is part of your own contribution to the team. Failure to submit your description of the contribution made by your teammates and yourself will have a negative impact on your contributions to the team project. In addition to information and graphics, contributions might include analysis and organization of information collected by all team members, questions asked, clarification provided, suggestions made, feedback given, having an active presence for the entire length of team meetings, organizing and leading team meetings and class presentations, and encouraging participation from every team member.

GRADING DETAIL

ASSIGNMENTS	Points	% of Grade
Class Participation	15	15.0%
Mid-Term Exam	35	35.0%
Week 8 Quiz	10	10.0%
Team Project Report	25	25.0%
Oral Presentation of Team Project	5	5.0%

Individual Contribution to Team Project	10	10.0%
TOTAL	100	100.0%

Assignment Submission Policy:

Assignments must be turned in on the due date/time electronically via Blackboard. Any assignment turned in late, even if by only a few minutes, will receive a grade deduction (for example, if your work is a B+ grade, you will be given a C+ grade). If your internet breaks down on the due date, you must deliver a hard copy at the beginning of class on that day. If you are unable to attend class on that day, make arrangements for it to be delivered to the classroom or to the professor(s) box by the start of class. Late or not, how-ever, you must complete all required assignments to pass this course.

ADDITIONAL INFORMATION

USC Statements on Academic Conduct and Support Systems

Academic Integrity:
The University of Southern California is a learning community committed to developing successful scholars and researchers dedicated to the pursuit of knowledge and the dissemination of ideas. Academic misconduct, which includes any act of dishonesty in the production or submission of academic work, compromises the integrity of the person who commits the act and can impugn the perceived integrity of the entire university community. It stands in opposition to the university's mission to research, educate, and contribute productively to our community and the world.

All students are expected to submit assignments that represent their own original work, and that have been prepared specifically for the course or section for which they have been submitted. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s).

Other violations of academic integrity include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), collusion, knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university. All incidences of academic misconduct will be reported to the Office of Academic Integrity and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see the student handbook or the Office of Academic Integrity's website, and university policies on Research and Scholarship Misconduct.

Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information

can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Support Systems:

Counseling and Mental Health - *(213) 740-9355 – 24/7 on call*
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

988 Suicide and Crisis Lifeline - *988 for both calls and text messages – 24/7 on call*
The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

Relationship and Sexual Violence Prevention Services (RSVP) - *(213) 740-9355(WELL) – 24/7 on call*
Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - *(213) 740-5086*
Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - *(213) 740-5086 or (213) 821-8298*
Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

The Office of Student Accessibility Services (OSAS) - *(213) 740-0776*
OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

USC Campus Support and Intervention - *(213) 740-0411*
Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity, Equity and Inclusion - *(213) 740-2101*
Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - *UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*
Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - *UPC: (213) 740-6000, HSC: (323) 442-1200 – 24/7 on call*
Non-emergency assistance or information.

Office of the Ombuds - *(213) 821-9556 (UPC) / (323-442-0382 (HSC)*
A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

Occupational Therapy Faculty Practice - *(323) 442-2850 or* otfp@med.usc.edu
Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

Course Calendar

	Topics/ Daily Activities	Readings and Homework
1/8	Intro to FinTech and Blockchain	Readings #1
1/15	MLK Jr. Day – No class	NA
1/22	Blockchain & Crypto	Readings #2
1/29	Payments & Stablecoins	Readings #3
2/5	Mid-Term / Alternative Lending & DeFi	Readings #4
2/12	Quiz / Wealth Management	Readings #5
2/19	Presidents' Day – No class	NA
2/26	Group Presentations	NA

Fin Tech Course Readings

Weekly reading list posted to Blackboard

CLASS PARTICIPATION

Class participation is an extremely important part of the learning experience in this course as the richness of the learning experience will be largely dependent upon the degree of preparation by *all* students prior to each class session.

A course that incorporates the frequent use of case analyses to illustrate the practical application of concepts and practices requires the student to diligently and thoroughly prepare cases and actively offer the results of the analyses and conclusions derived as well as recommendations during each class session. Our expectation and that of your classmates are that you are prepared for *all* classes and will actively participate in and meaningfully contribute to class discussions.

In-class participation is also a critical part of this course's learning experience. Cold calling may take place to encourage active participation and to gain multiple perspectives and points of view, thus lending itself to the richness of the learning experience. In-class participation grading will be based on students' demonstrated willingness to participate and the quality of the comments expressed, rather than quantity. While some students are far more comfortable than others with class participation, *all* students should make an effort to contribute meaningfully.

Students will offer their opinions in group settings many times in their careers; thus, class participation serves to prepare students for this business experience.
The evaluating of in-class participation is based on the following:

- *Relevance* – Does the comment or question meaningfully bear on the subject at hand? Irrelevant or inappropriate comments can detract from the learning experience.
- *Responsiveness* – Does the comment or question connect to what someone else has said?
- *Analysis* – Is the reasoning employed consistent and logical? Has data from course materials, personal experience, or general knowledge been employed to support the assertions/findings?
- *Value* – Does the contribution further the understanding of the issues at hand?
- *Clarity* – Is the comment concise and understandable?

During class sessions, we frequently assume the role of a facilitator to encourage a discussion that includes perspectives from a variety of viewpoints and, secondly, to help pull together prevailing analyses and recommendations. The direction and quality of a discussion is the *collective responsibility of the class*.

For each in-class session two (2) points will be awarded to a student for relevant and meaningful participation, one (1) point for modest contributions to the class and zero (0) points for no participation or absence.

To underscore the importance of participation, 15% percent of the course grade or 15 of 100 points are allocated to class participation.

Class Participation—Behavioral Anchor Rating Scale:

<u>Excellent Performance</u>
- Initiates information relative to topics discussed
- Accurately exhibits knowledge of assignment content
- Clarifies points that others may not understand
- Shares personal experiences or opinions related to topic
- Offers relevant / succinct input to class
- Actively participates in class exercises
- Demonstrates ability to apply, analyze, evaluate & synthesize course material.
- Demonstrates willingness to attempt to answer unpopular questions
- Builds on other students' contributions

<u>Average Performance</u>
- Participates in group discussions when asked
- Demonstrates knowledge of course material
- Offers clear, concise, "good" information on class assignments
- Offers input, but tends to reiterate the intuitive
- Attends class regularly

<u>Unacceptable Performance</u>
- Fails to participate even when directly asked
- Gives no input to discussions
- Does not demonstrate knowledge of the readings
- Shows up to class: does nothing
- Distracts group / class
- Irrelevant discussion

Peer Evaluation Form

Please identify your team and team members for the ____ Project(s) that you worked on. Then rate all of your team members, *including yourself,* based on the contributions of each team member for the selected assignment according to the criteria listed below. On a scale of 0 – 2 with 0 equal to "does not meet expectations", 1 "meets expectations" and 2 "exceeds expectations", rate each person on each of the five criteria. Last, add up the points for each person with the maximum number of points for each person being 10.

Team Members/ Assessment Criteria of Team Contributions	Team Member 1	Team Member 2	Team Member 3	Yourself
1. Role Performance				
2. Assists Team Members				
3. Listening and Discussing				
4. Research and Information Sharing				
5. Time Management				
Total				

Comments: