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Teaching Reform and Practice of "Financial Markets and Institutions" Based on the OBE Concept

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ABSTRACT
This paper identifies key deficiencies in the traditional instruction of the course "Financial Markets and Institutions," including unclear learning objectives, outdated content, monotonous teaching methods, and narrow assessment practices. Grounded in the Outcome-Based Education (OBE) approach, the study proposes a systematic framework for curriculum reform. By clearly defining intended learning outcomes, restructuring course content, innovating pedagogical models, and optimizing evaluation systems, the reform facilitates a shift from knowledge transmission to the cultivation of competencies and professional literacy. This transformation significantly enhances teaching effectiveness and supports the development of application-oriented financial talents capable of meeting evolving industry demands.

KEYWORDS
OBE concept; Teaching reform; Financial markets and institutions

1 Introduction

"Financial Markets and Institutions" is a core compulsory course in finance, characterized by its broad scope, high degree of integration, and close alignment with real-world financial practice. The course aims to enable students to construct a systematic understanding of financial knowledge and master the operational mechanisms of the modern financial system. However, under the traditional teaching model, it faces persistent challenges, including excessive theoretical emphasis, slow content renewal, teacher-centered didactic instruction, and overreliance on summative written examinations. These limitations hinder the development of students' practical competencies, leaving them ill-prepared to meet industry demands for interdisciplinary talents in emerging domains such as green finance, digital finance, and inclusive finance. In response to the growing demand for high-quality financial professionals, higher education institutions should proactively transform their pedagogical paradigms by integrating the Outcome-Based Education (OBE) framework into this course. Such integration will catalyze comprehensive teaching reform and innovation in "Financial Markets and Institutions," ultimately fostering the development of interdisciplinary, application-oriented financial talents equipped to meet evolving societal and industrial needs.

2 The connotation and guiding significance of the OBE concept

OBE is an educational paradigm that centers on students' final learning outcomes, with its core objective being to ensure that learners acquire the essential competencies and professional qualities required for future career success. Grounded in three foundational principles— "student-centeredness," "outcome orientation," and "continuous improvement"—OBE represents a fundamental shift from traditional knowledge transmission toward competency-based education [1]. It employs a backward design methodology, beginning with societal needs and program-level graduate requirements to define the key abilities students must demonstrate upon completion of their studies, followed by the systematic alignment of curricula and instructional strategies. This approach establishes a closed-loop quality assurance mechanism—encompassing goal setting, implementation, evaluation, and iterative refinement—that provides a structured framework for sustained enhancement of teaching quality.

The integration of the OBE framework into the reform of the "Financial Markets and Institutions" course holds substantial practical significance. First, OBE offers a rigorous theoretical foundation for defining course objectives, facilitating a strategic transition from isolated knowledge acquisition to holistic competence development, thereby ensuring that instructional content remains dynamically aligned with evolving industry demands. Second, it provides a transformative perspective for reconstructing the assessment system, enabling the establishment of a multidimensional, outcome-driven evaluation framework that emphasizes measurable attainment of skills such as analytical reasoning, problem-solving, and ethical judgment—thus enhancing the scientific validity and standardization of teaching evaluation. Third, by institutionalizing a culture of continuous improvement, OBE ensures that curriculum design evolves in response to rapid innovations in financial technologies, regulatory shifts, and market transformations. The comprehensive implementation of OBE not only significantly elevates the pedagogical quality of the course but also

drives a paradigmatic shift in curriculum design philosophy. This transformation enables talent development to closely align with the real-world competency expectations of financial roles, fostering synergy between academic training and industry advancement. As a result, it lays a solid foundation for cultivating high-caliber financial professionals equipped to meet the challenges of the modern financial landscape. More broadly, the adoption of OBE in finance education contributes meaningfully to the connotative development of disciplinary teaching, offering both profound theoretical insights and actionable implications for advancing the quality and relevance of professional education.

3 Analysis of the drawbacks of traditional teaching of "financial markets and institutions"

3.1 Vague teaching objectives and an overemphasis on theory at the expense of competency development

In traditional teaching models, course objectives are frequently articulated using broad and abstract phrases such as "mastering the operation mechanism of the financial market" and "understanding the functions of financial institutions," which lack specific, observable, and measurable behavioral indicators. This ambiguity results in an unclear alignment between course-level objectives and program-specific graduation requirements, depriving instructors of clear pedagogical direction and undermining the ability to assess the extent to which learning outcomes have been achieved. The absence of well-defined objectives compromises the course's capacity to systematically support the fulfillment of graduate competencies, leaving critical decisions regarding content selection, instructional design, and assessment criteria without a solid foundational rationale. As a consequence, individual teaching components remain loosely integrated, failing to coalesce into a cohesive educational framework that reinforces comprehensive student development. This fragmentation ultimately weakens the alignment between course delivery and overarching talent cultivation goals. Moreover, the prevailing focus on knowledge transmission—while neglecting the development of professional competencies, ethical judgment, and practical skills—has emerged as a key impediment to enhancing the overall quality of instruction in the course.

3.2 Outdated teaching content and disconnection from practical application

The traditional teaching model exhibits significant delays in curriculum content, with textbook updates failing to keep pace with the rapid evolution of financial markets. In emerging domains such as fintech, digital payments, and green finance, instructional materials are frequently obsolete, limiting students' ability to engage with current industry dynamics through formal coursework. The absence of authentic case studies and hands-on projects exacerbates the gap between theoretical instruction and real-world application. As financial innovation accelerates, existing curricula increasingly fail to encompass cutting-edge industry developments, resulting in a competency gap that imposes substantial retraining costs on employers. Furthermore, inadequate investment in teaching infrastructure at some institutions constrains the effectiveness of practical instruction. While faculty members possess strong theoretical expertise, limitations in practical resources and professional experience often hinder their capacity to integrate experiential learning methods—such as case-based teaching and simulation training—into classroom practice. This misalignment between academic content and industry requirements directly undermines the quality of applied financial talent development [2].

3.3 Homogeneous teaching methods and low student engagement

Conventional classroom instruction predominantly relies on a lecture-based format, characterized by one-way knowledge transmission and passive student reception, which significantly limits the stimulation of learning motivation and critical thinking [3]. This methodological rigidity is particularly detrimental in financial courses that aim to cultivate higher-order cognitive skills such as analysis, evaluation, and creation. Specifically, excessive emphasis on theoretical exposition is accompanied by insufficient integration of interactive pedagogical strategies—including case discussions, collaborative group work, and problem-solving activities. Students remain largely in a receptive role, deprived of systematic opportunities for inquiry-based learning and reflective reasoning. Moreover, the lack of differentiation in instructional design fails to accommodate individual learning needs, impeding the realization of personalized education. This teacher-centered paradigm not only compromises the efficacy of knowledge delivery but also constrains the development of essential soft skills, including teamwork, communication, and leadership. Although blended learning models have been introduced in recent years, many implementations remain superficial, failing to harness the full potential of information technology in fostering meaningful interaction and adaptive learning pathways. The weak integration between online components and face-to-face instruction, along with poor alignment between digital resources and core course content, prevents blended approaches from substantially improving student engagement or learning outcomes.

3.4 Narrow assessment practices and misaligned educational incentives

The conventional assessment system suffers from structural imbalances, most notably an overreliance on summative final examinations, which prioritize exam performance while underemphasizing students' active participation, continuous effort, and creative thinking throughout the learning process [4]. Assessment content typically centers on rote memorization of foundational concepts, theoretical principles, and computational techniques, offering limited insight into students' abilities to solve complex real-world problems, demonstrate innovative reasoning, or function effectively in team settings. This skewed evaluation framework produces incomplete and distorted assessments of student competence, failing to capture the full trajectory of skill development over time. From a pedagogical standpoint, this assessment model incentivizes strategic, short-term learning behaviors—such as last-minute cramming and mechanical memorization—diverting attention away from deep conceptual understanding and practical application. The absence of robust formative assessment mechanisms deprives instructors of timely, actionable feedback on student progress, thereby impairing their ability to diagnose learning difficulties and adjust instructional strategies accordingly. Consequently, assessment functions primarily as a grading tool rather than a driver of improvement, lacking a systematic linkage between evaluation outcomes and teaching refinement. This disconnect ultimately hampers efforts to enhance instructional quality and elevate the standard of talent cultivation.

4 Reform path of the "financial markets and institutions" course based on the OBE concept

4.1 Clarifying expected learning outcomes and course objectives

Guided by the OBE philosophy and the principle of backward design, this course establishes a clear, structured, and measurable framework of learning outcomes. The course team systematically analyzes industry development trends, collects feedback from alumni, and interprets the program's training objectives to identify the specific graduation requirements it supports. It defines integrative peak achievements that encompass knowledge, competencies, and professional qualities, with explicit emphasis on value-oriented education in financial ethics and national financial security awareness [5]. Ambiguous cognitive verbs such as "understand" and "master" are operationalized into observable and assessable behavioral indicators. For example, the outcome "understand the functions of financial institutions" is refined to "analyze and compare the business models and risk profiles of commercial banks, securities firms, and insurance companies; identify operational risks and ethical dilemmas in case studies; and propose compliant solutions," ensuring that learning outcomes serve as direct benchmarks for instructional delivery and assessment. A hierarchical objective system—ranging from foundational knowledge acquisition to comprehensive innovation—is systematically designed, with ideological and political education elements seamlessly integrated across all teaching modules to achieve the tripartite integration of knowledge transmission, capability development, and values formation. At the outset of the course, students are clearly informed of the alignment between these outcomes and their future career trajectories, fostering well-defined expectations and enhancing motivation, thereby ensuring consistent implementation of objectives throughout the teaching process.

4.2 Building a teaching content system aligned with learning outcomes

The curriculum has been restructured into a dual-module framework: "Core Foundations" and "Frontier Topics." The Core Foundations module ensures students attain a solid understanding of fundamental financial theories and market mechanisms. The Frontier Topics module addresses rapidly evolving domains—including fintech, green finance, and digital assets—by incorporating up-to-date industry reports, regulatory updates, and real-world case studies, thus maintaining curricular relevance in a dynamic financial environment. Practical instruction is strengthened through the systematic integration of virtual simulation experiments and authentic financial data analysis projects, enabling students to apply theoretical knowledge to realistic problem-solving scenarios. To ensure content currency, a sustainable mechanism for resource updating is established, encouraging faculty to translate research findings and industry insights into pedagogical materials. This fosters the development of an open, iterative, and accessible teaching content repository, effectively supporting the cultivation of students' analytical and problem-solving capabilities in complex financial contexts.

4.3 Implementing a Student-Centered and Diversified Pedagogical Model

The instructional paradigm has shifted decisively from a teacher-centered transmission model to a student-centered, active learning approach. A diversified pedagogical strategy is implemented, emphasizing interactive methods such as case-based learning, project-based learning (PBL), and structured group debates, transforming the classroom into a

collaborative environment for intellectual engagement. Students engage in simulations using real economic and financial data, deepening their comprehension of theoretical applications through critical analysis and peer discussion. The integration of educational technology supports a robust blended learning model. Online platforms facilitate the entire learning cycle—from pre-class knowledge acquisition and in-class interactive assessments to post-class extension activities. Flipped classrooms and virtual simulation tools create immersive environments for financial trading and risk management practice, enhancing experiential learning [6]. Differentiated instruction and continuous formative feedback are prioritized. Through group assignments, personalized tasks, and adaptive learning designs, diverse learner needs are accommodated. Timely academic guidance is delivered via classroom response systems and online discussion forums, promoting student autonomy while systematically developing higher-order competencies such as critical thinking, teamwork, and effective communication.

4.4 Establishing a comprehensive and continuous assessment system

A competency-based, multidimensional assessment framework has been systematically established, integrating core dimensions such as knowledge mastery, analytical reasoning, and practical application, while effectively harmonizing formative, summative, and behavioral evaluations [7]. The weight of traditional final examinations has been reduced to 40%, with the remaining 60% allocated to performance-based evaluations—including case analysis reports, group project presentations, and hands-on laboratory assessments—to comprehensively capture students' learning trajectories. Memory-based test items are minimized, while open-ended and non-routine questions are emphasized to assess skills in knowledge transfer, critical judgment, and innovative thinking. Additional criteria such as collaboration effectiveness, presentation quality, and professionalism are incorporated into the rubrics. A closed-loop feedback mechanism links assessment results to both student development and instructional refinement. Personalized feedback and data-driven teaching diagnostics enable continuous improvement, ensuring that assessment not only measures learning but also actively enhances teaching effectiveness and student outcomes.

5 Conclusion

A systematic reform of the Financial Markets and Institutions course, grounded in the OBE framework, has effectively addressed the limitations of traditional pedagogy through the clarification of learning outcomes, updating of curriculum content, innovation in instructional design, and restructuring of the assessment system. This transformation represents a fundamental shift from passive knowledge transmission to the active cultivation of professional competencies and disciplinary literacy, thereby significantly enhancing the relevance, currency, and pedagogical effectiveness of teaching practices. The reform not only enables students to develop an integrated knowledge-competency framework aligned with the evolving demands of the financial industry but also ensures sustained improvement in talent development through a robust feedback-driven quality assurance mechanism. As a result, it establishes a solid foundation for nurturing applied and innovation-ready financial professionals capable of addressing complex real-world challenges.

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