

## 27341 - Financial Markets

### Información del Plan Docente

<b>Academic Year</b>	2017/18
<b>Faculty / School</b>	109 - Facultad de Economía y Empresa 228 - Facultad de Empresa y Gestión Pública 301 - Facultad de Ciencias Sociales y Humanas
<b>Degree</b>	454 - Degree in Business Administration and Management 448 - Degree in Business Administration and Management 458 - Degree in Business Administration and Management
<b>ECTS</b>	6.0
<b>Year</b>	4
<b>Semester</b>	Half-yearly
<b>Subject Type</b>	Optional
<b>Module</b>	---

### **1.General information**

#### **1.1.Introduction**

Financial Management is an optional subject taught in the first semester of the fourth year of the degree in Business Administration and Management. Its basic purpose is to provide students with the necessary theoretical and practical framework for a proper understanding of the main financial markets and the financial instruments traded on them.

#### **1.2.Recommendations to take this course**

Attending classes and continuous work by the student are recommended. The students should have, at least, a basic knowledge of financial valuation methods.

#### **1.3.Context and importance of this course in the degree**

Financial Markets is one of the subjects of Finance included in the Accounting and Finance module in the Degree in Business Administration. The main aim of the course is to provide knowledge about financial markets. The interest of this subject lies in the importance and timeliness of the topics covered since its objective is to show students the necessary tools for investment and financing. This knowledge applies not only to companies but also to personal economic decisions that the students will face in their lives.

#### **1.4.Activities and key dates**

The classes will start and finish on the dates indicated in the academic calendar for the subjects of the first term.

In addition to the scheduled theoretical classes, students can attend practical classes in the computer room with real market data.

### **2.Learning goals**

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### 2.1. Learning goals

1. Identify, at a basic level, the characteristics of financial markets and different financial instruments.
2. Identify the running of financial markets, their stockbrokers and different financial instruments.
3. Identify the running of equity markets, their stockbrokers and types of assets.
4. Identify the running of derivatives markets and derivatives instruments.
5. Know future and options contracts, their negotiation and the possibilities that they offer to the investor in terms of investing and hedging against financial risk.

### 2.2. Importance of learning goals

The learning outcomes of Financial Markets are relevant because:

• They will enable the students to understand the running of financial markets, their brokers and traded assets.

• They will enable the students to understand the importance of the correct valuation of shares and its comparison with market prices.

• They will enable the students to understand the costs and the benefits of investment strategies, evaluating risk in capital markets.

• They will enable the students to designing hedging strategies to preserve capital.

### 3. Aims of the course and competences

#### 3.1. Aims of the course

- 1) To introduce the concept of financial system, financial markets and the financial instruments traded on them.
- 2) To provide students with the necessary financial assessment tools to determine the valuation of financial assets.
- 3) To teach methodologies for investment, arbitrage and hedging strategies
- 4) To teach the main strategies in financial markets.

#### 3.2. Competences

Specific skills

E1. To direct, manage and administrate companies and organizations.

E2. To know how all the functional areas of a business or organization work and to be able to take on any management task entrusted to them.

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E3. To assess the situation and future prospects of companies and organizations, to make decisions and to draw relevant conclusions.

E5. To draw up advisory reports on specific situations of markets, sectors, organizations, companies and their functional areas.

E6. To understand and apply professional standards and scientific rigour to solving economic, business and organizational problems.

Transversal skills

T1a.- Ability to solve problems.

T1b.- Ability to analyse and synthesise.

T1c.- Organizational skills and planning.

T1d.- Ability to analyse and extract information from a variety of sources.

T1e.- Capacity to make decisions.

T1f.- Ability to use technological tools.

T1g.- Communicate correctly both orally and in writing, emphasizing reasoning.

T2a.- Ethical commitment to work.

T2b.- Capacity for teamwork.

T3b.- Capacity for adaptation to new situations.

T3c.- Being autonomous in his/her learning and training.

T4a.- Ability to apply knowledge in practice.

### **4.Assessment (1st and 2nd call)**

#### **4.1.Assessment tasks (description of tasks, marking system and assessment criteria)**

**The student will prove that he/she has achieved the expected learning results by means of the following**

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### assessment tasks:

In the first sitting, there are two evaluation systems:

#### 1) Continuous assessment

The student must take two individual written exams and carry out a group task during the term.

- Individual written exams: the first one after finishing Section II, with the contents of Sections I and II, and the second one after finishing Section III, with the contents of that section. Both exams will include one part of theoretical-practical questions and another of practical cases. The theoretical questions may be open or multiple-choice. The practical questions will be in line with the practical cases proposed in class during the course. Each exam will include the contents taught up to the test date.
- Group task: consisting of solving problems and practical situations that are close to reality in which students must apply the knowledge acquired in the lectures. The group task will be supervised by the teacher of the subject. The teacher can ask as many questions and make as many clarifications as she deems appropriate. Complete information for the group task will be given in the first class sessions.

The final mark will be calculated using the following weights for each component of the assessment:

- First written exam: 55%

- Second written exam: 30%

- Group task: 15%

In order to pass the course via continuous assessment, it will be necessary to obtain an overall mark of 5 out of 10, a minimum of 4 out of 10 being required in the first written exam of the continuous assessment.

#### 2) Global assessment .

The student who does not opt for continuous assessment, does not pass the subject through continuous assessment or wants to improve his/her mark, will be entitled to sit the global exam; and the best of the two scores obtained will prevail.

The global exam consists of a written exam to be held on the date and time established. It will include the solving of practical exercises about course topics and theoretical questions, which may be open or multiple-choice. To pass the course, the student must obtain a score equal to or greater than 5 points out of 10. The exam will be held within the context and organization of the official calendar of exams fixed by the Faculty.

In the second sitting, the assessment will only be carried out through a final exam with theoretical and practical content. This exam will consist of solving practical exercises on aspects of the course and theoretical questions that may be open or multiple-choice.

### 5. Methodology, learning tasks, syllabus and resources

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### 5.1. Methodological overview

The learning process is based on lectures and practical sessions. The lectures will also include practical examples, discussion of news related to the course or debates on these issues. These sessions are intended to be participatory. The practical sessions will consist of group work in the computer room to assimilate what was explained in the lectures.

The schedule of lectures and practical sessions will be uploaded on the websites of the different faculties, and the dates of the work presentations and other activities will be notified by the teacher through the appropriate channels.

The class time of the course is organised as follows:

- *Lectures*: Students will have access to the recommended bibliography for each lesson and they are expected to read it carefully before attending the corresponding lecture. In the lectures, a presentation and explanation of the most important concepts of the subject will be held to enhance active student participation.
- *Problem-solving sessions*: Every week, besides the theoretical participatory lecture, the students will attend a practical class to solve cases in the computer room. Various media, including the blackboard, spreadsheets and an overhead projector, will be used.

### 5.2. Learning tasks

The Financial Markets course comprises 6 ECTS and distributes 150 student working hours into 60 class hours (theoretical and practical) and 90 autonomous learning hours. The 60 class hours of the theoretical and practical sessions consist of 30 participatory lectures and 30 practical hours solving problems and practical cases using a spreadsheet.

Activities	Number credits	Learning-teaching process	Competences
Lectures	1.2	Participative lectures	E5,E6,T3c
Practical sessions	1.2	Practical classes with computer. Presentation of works	E5,E6,T1a,T1f,T3b,T4a
Tutorial hours	3.6	Student's autonomous work and personal reflection about the contents of the course	E1,E2,E3,E5,E6,T1a,T1b,T1c,T1f,T2b,T4a,T3b

### 5.3. Syllabus

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### PART I: THE FINANCIAL SYSTEM

LESSON 1: INTRODUCTION TO THE FINANCIAL SYSTEM

LESSON 2: ORGANISED AND OTC MARKETS

### PART II: EQUITY MARKETS

LESSON 3: OPERATING CHARACTERISTICS OF THE STOCK EXCHANGE

LESSON 4: INVESTMENT, SPECULATION AND ARBITRAGE

LESSON 5: METHODS OF VALUATION OF SHARES

### PART III: DERIVATIVES MARKETS

LESSON 6: THE FINANCIAL FUTURES MARKET

LESSON 7: THE FINANCIAL OPTIONS MARKET

## 5.4. Course planning and calendar

The schedule of sessions will be uploaded on the websites of the different faculties, and the dates of the work presentations and other activities will be notified by the teacher through the appropriate channels

## 5.5. Bibliography and recommended resources

[BB: Bibliografía básica / BC: Bibliografía complementaria]

BB	Bachiller Baroja, Patricia. Mercados financieros / Patricia Bachiller Baroja, Alfredo Bachiller Cacho Zaragoza : Copy Center Digital, cop. 2014
BC	Brealey, Richard A. : Principios de finanzas corporativas / Richard A. Brealey, Stewart C. Myers, Franklin Allen ; revisión técnica, Mario González Valdés, Juliana Gudiño Antillón, Francisco López Herrera . - 11ª ed. México [etc.] : McGraw-Hill, 2015
BC	Hull, John C.. Introducción a los mercados de futuros y opciones / John Hull ; traducción, Jaime Gómez-Mont Araiza ; revisión técnica, Arturo Morales Castro,

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- BC** José Antonio Morales Castro . 8ª ed.  
Naucalpan de Juárez (Estado de México) :  
Pearson Educación de México, 2014  
Lamothe Fernández, Prosper. Opciones  
financieras y productos estructurados /  
Prosper Lamothe Fernández, Miguel Pérez  
Somalo . - 3ª ed. Madrid, [etc.] : McGraw  
Hill, D.L. 2005
- BC** Malkiel, Burton G. : Un paseo aleatorio por  
Wall Street : la estrategia para invertir con  
éxito / Burton G. Malkiel ; traducción de  
María Hernández Díaz . - 11ª ed. Madrid :  
Alianza Editorial, 2016
- BC** Manual del sistema financiero español /  
José Alberto Parejo Gámir ... [et al.] . - 26ª  
ed. act. Barcelona : Ariel, 2016