

61435 - Advanced Financial Instruments

Syllabus Information

Academic year: 2023/24

Subject: 61435 - Advanced Financial Instruments

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 526 - Master's in Accounting and Finance

ECTS: 4.0

Year: 1

Semester: Second semester

Subject type: Optional

Module:

1. General information

The subject and its expected results respond to the following approaches and objectives:

- 1) To help the student become familiar with the derivatives markets, the traded assets and their operations.
- 2) To convey the main valuation techniques for exotic options.
- 3) To analyse credit derivatives
- 4) To present the methodologies applicable to the management of portfolios and structured products.

These approaches and objectives are aligned with the Sustainable Development Goals (SDGs) of the United Nations Agenda 2030 (<https://www.un.org/sustainabledevelopment/es/>) specifically, the learning activities planned in this subject will contribute to the achievement of Objectives 4.3, 4.4 and 4.7 of Goal 4, target 5.5 of Goal 5 and target 8.5 of Goal 8.

2. Learning results

Upon completion of this subject, the student will be able to:

- 1) Have an overview of modern financial markets.
- 2) Design complex speculation, arbitrage and hedging structures.
- 3) Have an exhaustive knowledge of the OTC financial products traded in the financial markets.
- 4) To know and use exotic derivative instruments and their valuation.

3. Syllabus

PART I: PLAIN-VANILLA DERIVATIVES

Topic 1: regulated futures and options

Topic 2: combined strategies

Topic 3: options valuation

PART II: EXOTIC OPTIONS

Topic 4: typology of exotic options

Topic 5: structured products

PART III: OTHER OTC DERIVATIVES

Topic 6: contracts for differences (CFDs)

Topic 7: applications of derivative financial instruments

4. Academic activities

Participative master classes

Sessions where the teacher will explain the subject's topics: 20 hours

Practical classes

Problem solving sessions and case studies presented by the teacher and presentation of work: 20 hours

Study of the subject and personal work: 40 hours

5. Assessment system

The student must demonstrate that they have achieved the expected learning results by means of the following assessment activities:

- a) Continuous assessment

There are three written tests with the following weight distribution:

- First written test: 20%.
- Second written test: 30%.
- Third written test: 30%.
- Case studies: 20%.

The case studies will consist of compulsory assignments in which students will have to solve practical cases of financial derivatives. Such tasks will be developed in the computer classroom.

b) Overall assessment

Students who do not opt for continuous assessment, do not pass the subject by this procedure or want to improve their grade, will be entitled to take the global test which will consist of a written test, in which they will have to develop both theoretical and practical aspects of the subject.

In the first call the student can choose between continuous and global assessment. In the second call, the assessment is reduced to the global evaluation previously mentioned.