

BASIC DETAILS:

Subject:	FINANZAS AVANZADAS III. MERCADOS E INSTRUMENTOS FINANCIEROS		
Id.:	32278		
Programme:	GRADUADO EN ADMINISTRACIÓN Y DIRECCIÓN DE EMPRESAS (CA)		
Module:	FINANZAS AVANZADAS		
Subject type:	OPTATIVA		
Year:	3	Teaching period:	Segundo Cuatrimestre
Credits:	6	Total hours:	150
Classroom activities:	66	Individual study:	84
Main teaching language:	Inglés	Secondary teaching language:	Castellano
Lecturer:	GOTH , PETER JOHN (T)	Email:	pgoth@usj.es

PRESENTATION:

This subject is intended to give students a basic level on several issues such as the financial markets and their instruments, their components and finally their main products. In any case the student will receive the tools to take financial decisions based on a previous analysis of the market. The approach to the different contents of the course would be from a double view the financial performance but also the implicit risk of any investment.

PROFESSIONAL COMPETENCES ACQUIRED IN THE SUBJECT:

General programme competences	G01	Ability to analyse and summarise information from several sources.
	G02	Creative and efficient resolution of problems that arise in day-to-day, in order to ensure the highest levels of quality of professional work.
	G03	Ability to organise and plan the work in the context of continuous improvement.
	G04	Use of information and communication technologies.
	G05	Ability to work effectively in interdisciplinary teams, integrating and participating in scientific and professional teamwork, contributing ideas and respecting and valuing the diversity of views of other team members.
	G06	Ability to incorporate ethical principles into the professional culture, giving priority to ethical commitment to customers and society.
	G08	Oral and written communication in Spanish.
	G10	Ability to apply the acquired knowledge, adapting it to the needs and special features of each situation and person.
	G11	Ability to come up with new ideas (creativity).
	G13	Ability to develop learning strategies throughout life to be able to acquire new knowledge, by developing their own academic and professional path.
G15	Ability to establish and meet the most appropriate quality criteria and apply methodologies and work strategies geared towards continuous improvement.	
Specific programme competences	E01	Understand the specific aspects of the operation, management and control of the different functional areas of the company.
	E02	Know and understand the local, national and international socio-economic context in which the companies operate and be able to interpret its impact on them.
	E03	Ability to apply the acquired knowledge of the functional areas of the company and the socio-economic environment.
	E04	Ability to identify related variables and understand their impact on business organisations.
	E09	Appreciate how the domestic and international financial markets operate.
	E10	Understand financial operations taking place in business environments, designing and analysing investment and financing strategies.
	E11	Learn the techniques and methods of quantitative nature applicable to the diagnosis, analysis and business exploration (mathematics, statistics and econometrics) being able to use the most appropriate tool in each situation.
	E14	Understand the principles of business ethics and be able to design scenarios in which these principles can be put into business practice.
Learning outcomes	R01	Learn in further detail about how to manage the risk of the different types of insurance, legal framework and technical insurance.
	R02	Know about the system, performance and strategies-objectives of the pension plans.
	R03	Learn about the operation of the Funds and Securities Investment Corporations and the various strategies and management styles that are based on their risk-return objectives.

	R04	Differentiate and analyse the various bond, variable, currencies and derivatives markets and the products traded on them.
	R05	Know about the financial system, its various markets and products traded in investment management.

PRE-REQUISITES:

No previous requirements are necessary to attend this course, but it is highly advisable to have knowledge about financial mathematics.

SUBJECT PROGRAMME:

Subject contents:

1 - Financial System Basis
1.1 - Function and Structure of Financial Markets
1.2 - Types and Functions of Financial Intermediaries
1.3 - Regulation of the Financial System
2 - Fixed Income
2.1 - Features of Debt Securities
2.2 - Risk associated with Investing in Bonds
2.3 - Understanding Yield Spreads
2.4 - Valuation of debt securities
3 - Stock Markets
3.1 - How the Market Sets Prices
3.2 - Fundamental Analysis vs Technical Analysis
4 - Currency Markets
4.1 - Organization and Functions
4.2 - Spot and Forward Transactions
5 - Derivative Markets
5.1 - Derivate markets and Instruments
5.2 - Forward markets and Contracts
5.3 - Futures markets and Contracts
5.4 - Option markets and Contracts
5.5 - Swap markets and Contracts
5.6 - Risk management Application of Option Strategies
6 - Mutual Funds
6.1 - Advantages and drawbacks of mutual funds to individual investments
6.2 - Investment Objective Classes
6.3 - Hedge Funds
6.4 - Conflict of Interest in the Mutual Fund Industry
7 - Pension Funds
7.1 - Types of pension funds
7.2 - Valuation and risks
8 - Insurance
8.1 - Types of insurance
8.2 - Valuation and risks
9 - General View of a global portfolio

Subject planning could be modified due unforeseen circumstances (group performance, availability of resources, changes to academic calendar etc.) and should not, therefore, be considered to be definitive.

TEACHING AND LEARNING METHODOLOGIES AND ACTIVITIES:

Teaching and learning methodologies and activities applied:

- **Theoretical presentations:** accompanied by practical exercises to reinforce the knowledge. Students

participation is encouraged.

- **Practical cases:** assisted by the instructor, students will work class real cases on a regular basis.
- **Individual project:** Fundamental and Technical Analysis - compare and contrast.
- **Group project:** Mutual and Retirement Plans. A presentation in class is required.
- **Readings:** recommended to students to understand specific topics.
- **Written exams:** one midterm exam and one final exam.
- **Business Lab:** The purpose of the Business Lab is to introduce students, from day one of their time in ADE, to the real world of business by working on identifying issues, creating solutions, developing contingency plans and applying their solutions to these real problems of working businesses. These activities will have the ultimate purpose of developing students' social and technical skills, their performance and providing them with a competitive advantage when faced with the labour market. The activities will be very varied and will range from case work, visiting companies to attending seminars and helping to provide solutions to real business problems. Students will have to attend a number of pre-planned activities that will be developed through the course year. Attendance will be required of all students in all activities planned for them and follow up, as well as grading of the activities, will be done by the students tutor, teacher and the Company representative they will work for. Failure to attend all of these activities will carry a penalisation determined by the tutor and/ or teacher and reflected in the final mark.
- **Tutorials:** Students are encouraged to attend

Student work load:

Teaching mode	Teaching methods	Estimated hours
Classroom activities	Master classes	32
	Practical exercises	10
	Practical work, exercises, problem-solving etc.	12
	Debates	2
	Coursework presentations	4
	Assessment activities	4
	Extra-curricular activities (visits, conferences, etc.)	2
Individual study	Tutorials	10
	Individual study	30
	Individual coursework preparation	10
	Group coursework preparation	6
	Research work	8
	Compulsory reading	8
	Recommended reading	4
	Extra-curricular activities (visits, conferences, etc.)	4
	Other individual study activities	4
Total hours:		150

ASSESSMENT SCHEME:

Calculation of final mark:

Final exam:	45	%
Midterm written exam:	35	%
Group coursework (project + Business Lab):	10	%
Individual coursework (project):	10	%
TOTAL	100	%

*Las observaciones específicas sobre el sistema de evaluación serán comunicadas por escrito a los alumnos al inicio de la materia.

BIBLIOGRAPHY AND DOCUMENTATION:

Basic bibliography:

CECCHETTI, Stephen G. Money, Banking and Financial Markets (international edition). McGraw-Hill, 2006.
RITTER, Lawrence; SILBER, William; UDELL, Gregory. Principles of Money, Banking & Financial Markets, 12th Edition. Pearson, 2013.
MISHKIN Frederic S. and EAKINS Stanley G. Financial Markets and Institutions. Harlow: Pearson Education, 2012

Recommended bibliography:

BREALEY, Richard; MYERS, Stewart; MARCUS, Alan. Fundamentals of Corporate Finance, 8th Edition. McGraw-Hill, 2014.
COPELAND, Thomas E.; WESTON, J. Fred; SHASTRI, Kuldeep. Financial Theory and Corporate Policy, 4th Edition. Pearson, 2005.

Recommended websites:

Banco Central Europeo	www.ecb.europa.eu
Comisión Nacional del Mercado de Valores	www.cnmv.es
Financial Times	www.ft.com
Eurostat	www.ec.europa.eu/eurostat
Expansión	www.expansion.com