

Syllabus

Course name

Financial Markets

Semester

Spring 2023 semester

Name of the main instructor

Gabriela Kuvíková, Ph.D.

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Date

- Classes: March 6 – April 14, 2023
- Final exam week: April 17 – 21, 2023
- Make-up exam week: April 24 – 28, 2023

Time

- Lectures: Monday 7.45-9.15 a.m. CET, Wednesday 7.45-8.30 a.m. CET. Note that after March 26, 2023, due to the daylight saving time lectures will be held on Monday 8.45-10.15 a.m. CEST, Wednesday 8.45-9.30 a.m. CEST. Thus, there will be no change in the course time slots for countries which do not change time.
- Exercise session: Wednesday 8.30-9.15 a.m. CET

Office hours

To be determined.

Course description

This course aims to provide a basic understanding of today's changing landscape of financial markets and institutions with a broad scope and emphasis on general principles. Students will study the key fundamentals of financial markets and learn how financial markets and financial institutions work. We will discuss interest rates and their role in valuation, learn about efficient market hypothesis and exchange rate determination, explore money and capital markets, identify various players in the financial institutions industry, and take a closer look at risk management in financial institutions.

Prerequisites

Microeconomics at introductory level

Textbook and Materials

Frederic S. Mishkin and Stanley G. Eakins: Financial Markets and Institutions, 9th edition, Pearson/Prentice Hall.

Grading¹

Weekly Quiz	60%
Final exam	40%

A general rule is that a student must have more than 50% of overall course results, and more than 50% on the final exam, to pass a DLP course and be awarded the CERGE-EI Foundation certificate.

¹ 3 ECTS credits (recommended)

Course Outline

Week 1

- Overview of the Financial System

Week 2

- What Do Interest Rates Mean and What is Their Role in Valuation?
- Why Do Interest Rates Change?
- How Do Risk and Term Structure Affect Interest Rates?

Week 3

- The Efficient Market Hypothesis
- The Money Market

Week 4

- The Bond Market
- The Stock Market
- The Mortgage Market

Week 5

- The Foreign Exchange Market
- Banking and the Management of Financial Institutions

Week 6

- The Mutual Fund Industry
 - Risk Management in Financial Institutions
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