

NAME OF THE COURSE		FINANCIAL MARKETS					
Code	ECM212	Year of study	3				
Course teacher	Associate professor Ana Kundid Novokmet, PhD Full professor, Marijana Ćurak, PhD	Credits (ECTS)	5				
Associate teachers		Type of instruction (number of hours)	L	S	E	F	
			26		26		
Status of the course	Obligatory	Percentage of application of e-learning	30%				
COURSE DESCRIPTION							
Course objectives	To enable students to identify the role of the financial market in the economic system, to present the characteristics of various types of securities and derivatives, to discover the ways in which regulated financial markets function and to differentiate the methods within the investment analysis.						
Course enrolment requirements and entry competences required for the course	Requirements for the course enrolment are regulated by the Statute of the Faculty of Economics, Business and Tourism and by the Rulebook of study programs and studying system.						
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<p>Course learning outcome: Identify the causes of the emergence and ways of functioning of the financial markets and present different types of securities and methods of investment analysis.</p> <p>Particular learning outcomes: 1. Present the fundamental principles of financial markets. 2. Identify the motives of financial market regulation and comment on non-permitted securities transactions. 3. Present the types and characteristics of basic and derivative securities. 4. Identify how well-regulated financial markets operate. 5. Differentiate methods within the investment analysis.</p>						
Course content broken down in detail by weekly class schedule (syllabus)	Week	Lectures			Exercise		
			Topics	hours	Topics	hours	
		1	Financial markets: basic definition, types, evolution	2	Information about the course. Discussion on the importance of learning about financial markets. Assignment: The basic stock exchange terminology.	2	
		2	Economic entities with surplus funds and in shortage of funds. Intermediary and non-intermediary finance. Advantages and disadvantages of each financing type.	2	Savings and deficits in the Republic of Croatia: macroeconomic and microeconomic aspect. Assignment: Comprehension check of the financial market scope.	2	
3	Savings determinants: theoretical aspects. Types of deficits and capital.	2	Case study on financing venture/enterprise in various life cycle phases – from establishing to going public. Discussion about the financial sources and importance of capital market in financing.	2			

	4	Main functions of financial markets: attracting savings, going public and financing development, industrial restructuring, barometer of national economy.	2	Global perspective of the market for corporate control. Discussion of the paper in the field of hostile takeover defensive measures. Relationship between macroeconomic variables and financial markets movements.	2
	5	Securities: Stocks	2	Assignment: Comprehension check of various types of stocks characteristics. Definition of risk and testing the propensity towards risk. Practical tasks: Main indicators of listed stocks.	2
	6	Consequences of increase in company's capital.	2	Practical tasks: Increase in company's capital.	2
	7	Securities: Bonds	2	Risk related to bonds. Credit rating importance in bonds issuance. Assignment: Comprehension check of various types of bonds characteristics. Practical tasks: Calculations of yield to maturity.	2
	8	Regulation and supervision of financial markets: Croatian capital market in focus.	2	Examples of frauds and manipulations on the financial markets.	2
	9	Secondary markets: levels and terms of listing securities.	2	Practical overview of secondary market disintegration. Indicators of stock exchange development.	2
	10	Organization and functioning of stock exchange: orders, listing techniques, payment and delivery, reports.	2	Example of organization and functioning of developed stock exchange centres.	2
	11	Theory of perfect and efficient financial markets.	2	Practical tasks: Calculating equilibrium price in the pre-opening process of stock exchange.	2
	12	Derivatives market: forward and futures contracts, options, swaps.	2	Assignment: Comprehension check of various types of derivatives characteristics. Practical tasks: Options.	2
	13	Fundamental and technical analysis. Portfolio management: mean-variance model, market model, CAPM model.	2	Overview of chosen technical analysis methods. Practical tasks: Portfolio management.	2
Format of instruction	<input type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work		<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)		
Student responsibilities	To attain a signature, student has to regularly attend course – for the full-time student, minimum is 60% of both lectures and exercises, and for the part-time				

	<p>student, minimum is 30% of both lectures and exercises. To attain a signature, student is also required to actively participate in lectures and exercises. During the semester, in the weeks in which lectures and exercises are held, 4 self-evaluation tests will be organized. Students are required to try to solve each of the 4 online self-evaluation tests, which will be composed of problem tasks. Solving self-evaluation tests successfully is not a substitute for the written tests or exam, but can contribute to a higher positive grade. Two self-evaluation tests precede the first written test, after which the other self-evaluation tests will follow. Students of the "razlikovni program" are not required to attend classes, nor to take part in the self-evaluation tests.</p>					
Screening student work (name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)	Class attendance	0,7	Research		Practical training	
	Experimental work		Report		Self-evaluation tests	0,3
	Essay		Seminar essay		(Other)	
	Tests	4*	Oral exam		(Other)	
	Written exam	4	Project		(Other)	
Grading and evaluating student work in class and at the final exam	<p>Two written tests, written exam. The exam is conducted by the course teacher. The student can pass the exam if he/she passes both tests. In addition, the student's activity in the exercises will be evaluated. Students who are actively involved in exercise discussions, problem-solving and case studies and/or correctly write and present the paper on the topics offered can increase the final grade. * Positive assessment of both tests replaces the final written exam. During the semester there will be two written tests. A positively evaluated first written test is a requirement for the student's admission on second test. A student who achieves a positive assessment from both tests is not required to undertake the final written exam. The final grade is formed as the average grade of written tests grades and can be increased in case of special student's engagement in the exercises. Exam dates will be defined by exam calendar. Written exam consists of 10 questions/question blocks. Each answer is evaluated with maximum 10 points. For positive assessment, the student has to achieve minimum of 55 points. Score thresholds and corresponding grades for written exams: 55-69 points = sufficient (2); 70-79 points = good (3); 80-89 points = very good (4) and 90-100 points = excellent (5).</p>					
Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media	
	1. Course materials.			/	Moodle	
	2. Pojatina, D. (2000) <i>Tržište kapitala</i> . Split: Ekonomski fakultet.			13	/	
	3. Bodie, Z., Kane, A., Marcus, A. J. (2006) <i>Počela ulaganja</i> . Zagreb: MATE i ZSEM.			9	/	
	4. Orsag, S. (2011) <i>Vrijednosni papiri: investicije i instrumenti financiranja</i> . Sarajevo: Revicon.			4	/	
	5. Selected articles and discussion materials.			/	Moodle	
Optional literature (at the time of submission of study programme proposal)	<ol style="list-style-type: none"> Saunders, A., Millon Cornett, M., Ehemjamts, Otgo (2021) <i>Financial Markets and Institutions</i>. McGraw-Hill Education. Linton, E. D. (2020) <i>Foundations of Investment Management: Mastering Financial Markets, Asset Classes, and Investment Strategies</i>. J. Ross Publishing. Busch, D., Ferrarini, G., Grünewald, S. (2021) <i>Sustainable Finance in Europe: Corporate Governance, Financial Stability and Financial Markets</i>. Palgrave Macmillan. <ol style="list-style-type: none"> Official website of the Zagreb Stock Exchange. Official website of the Croatian Financial Services Supervisory Agency. Official website of the Croatian National Bank. Official website of the New York Stock Exchange. 					

<p>Quality assurance methods that ensure the acquisition of exit competences</p>	<ul style="list-style-type: none"> • Monitoring the class attendance and execution of other student's obligations (Teacher) • Teaching Supervision (The Vice-Dean for academic and student affairs) • Analysis of the studying performance for all courses of the study program (The Vice-Dean for academic and student affairs) • Student survey on the quality of teachers and teaching for each course of the study program (UNIST, Centre for Quality Improvement) • All learning outcomes of the course are examined by the examination conducted by the course teacher. • Periodic examination of the content of the exam is conducted in order to verify the appropriateness of the method of validating the learning outcomes (The Vice-Dean for academic and student affairs).
<p>Other (as the proposer wishes to add)</p>	<p>Lectures in Croatian language.</p>