

Course Information	
Subject	FINANCIAL MARKETS
Degree	Master in Finance
Course	First course
Term	First term
ECTS – Credits	3 ECTS
Type of Course	Mandatory
Department	ICADE Business School
Area	Finance
Professor	
Name	Iciar Gómez de la Vega Pedruelo
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COURSE SPECIFICS

Context of the Course
<p>Contribution to the professional profile of the master degree.</p> <p>The subject allows an approach to the operation of financial policy in general and monetary policy in particular, observing its influence on the main financial markets and assets traded in them, as well as on the financial products constituted by said assets and markets (interbank, monetary, fixed income and variable income). Knowing the entities that market financial assets and products, those that provide financial advice, manage assets, their different approaches and the diversity of professional profiles that can be found, will allow to have a knowledge closest and most professional operation in the industry.</p>
<p>Class Aims</p> <ol style="list-style-type: none"> 1. Create the appropriate mental structure to understand a theoretically complex industry, studying and reflecting on concepts that are the starting point to understand the functioning of the most complex financial and asset markets. 2. Know in depth the operation of the Central Banks and in particular the European Central Bank and how they use monetary policy to achieve their objectives. 3. Analyze the fundamental role that the European Central Bank is playing in solving the current financial crisis. Knowledge of rate curves: what they indicate, how they work, and how you can take advantage of them.

CONTENTS

Contents: Part 1 (Iciar Gómez de la Vega)
<p>Lesson 1: Introduction to financial markets</p> <ul style="list-style-type: none"> • 1. National and International Financial System. Organisms that compose it. • 2. Correlation of the different financial markets

<ul style="list-style-type: none"> • 3. The role of the regulator and the most relevant financial intermediaries • 4. Mathematical tools applied to financial markets
Lesson 2: Monetary Policy
<ul style="list-style-type: none"> • 1. Single monetary policy: ECB and European System of Central Banks (ESCB) • 2. Monetary Policy Instruments: main financing operations • 3. Money Market • 4. Regulation auctions • 5. Foreign exchange market
Contents: Part 2 (Ignacio Prieto)
Lesson 1: Equity
<ul style="list-style-type: none"> • 1. The stock market and marketable assets • 2. Fundamental analysis • 3. Technical Analysis • 4. Collective Investment (ETFs and Investment Funds) • 5. Alternative markets
Lesson 2: Fixed Income
<ul style="list-style-type: none"> • 1. Introduction to the fixed income market • 2. Classification of fixed income assets • 3. Operation and participants of the fixed income market • 4. New markets
Lesson 3: Alternative Assets
<ul style="list-style-type: none"> • 1. Definition of alternative assets • 2. Classification of alternative assets
Lesson 4: Derivatives (Futures and Options)
<ul style="list-style-type: none"> • 1. Definition and characteristics of the Futures Market • 2. Definition and characteristics of the Options Market

Competences-

Competences
General competences
<p>CGB 1. Capacity for analysis and synthesis</p> <p>CGB 2. Problem solving and decision making</p> <p>CGB 3. Capacity for organization and planning</p> <p>CGB 4. Ability to manage information from different sources</p> <p>CGB 5. Advanced computer skills related to field of study</p> <p>CGB 6. Interpersonal skills: listen, argue and debate</p> <p>CGB 7. Leadership and teamwork</p> <p>CGB 8. Critical and self-criticism capacity</p> <p>CGB 9. Ethical commitment</p> <p>CGB 11. Ability to learn and work independently</p> <p>CGB 13. Action and quality orientation</p> <p>CGB 14. Ability to process and transmit ideas, projects, reports, problems and solutions</p>
Specific competences
<p>CE 1. To understand the main financial products, the national and international markets and the main financial Institutions that operate in each of them (</p> <p>CE 2. Find and analyse public information from markets and companies for decision-making processes of investment and financing.</p>

TEACHING AND LEARNING

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General methodology characteristics of the course	
<p>Classroom methodology: Activities</p> <p>It combines lectures with case presentations and readings by students. During the course of each session will review basic concepts contained in the documentation that students have available before each class, and that they must read in depth to ask the arising doubts during the class session. These concepts should be applied by resolving case studies by the students. During the class session the case studies solutions will be debated, allowing delve into the nature of the problem. It is mandatory active participation of students in both the normal development of the class, and in the discussion of the case study, or the exercises if there to be. The driver shaft of the methodology to be used is the practicality of the concepts and skills covered in the sessions. The usual methodological sequence is as follows:</p> <ol style="list-style-type: none"> 1. Statement of the general framework of the subject by the monitor / teacher. 2. Discussion of the conceptual doubts that students have about the subject, and resolving them 3. Practical use of concepts through the analysis of real or fictitious case studies, and / or exercises. 4. Summary of worked concepts and summary of the main conclusions 	<p>Competences</p>
<p>Methodology - Not in the class: Activities</p> <p>The previous study of the documentation for each session, which will be made available to students with sufficient time is required. Analysis and resolution of practical cases, when assigned, which allow the student to make a decision-making exercise like a professional at a financial department of a company. The resolution of the case studies is mandatory and prior to the corresponding session and must be delivered in writing. The resolution of the exercises proposed by the teacher shall be delivered in writing.</p>	<p>Competences</p>

EVALUATION AND GRADING CRITERIA

Types of Evaluation	Criteria	Weight
Exam, public defence, practical cases and Final Presentation (SE1). FINAL EXAM	To pass the subject, the final exam mark must be at least 4,90. Right answers; Organization of information; Synthesis. A score of 4.9 is required in the final exam calculated as the mean of the written exam (SE1) and multiple choice (SE2) to pass the course.	25%
Individual Test (SE2). TWO INDIVIDUAL MIDTERM EXAMS	Right answers A score of 4.9 is required in the final exam calculated as the mean of the written exam (SE1) and multiple choice (SE2) to pass the course.	10%
Public, individual or group presentations (SE3) FINAL CASE PRESENTATION	Apply instructions and criteria.; Organization of information; Clarity in presentation; Means of support used; Synthesis.	15%
Individual Assignments/Practices/Works (SE4) INDIVIDUAL ASSIGNMENTS/PRACTICES/WORKS, SAME WEIGHT EACH	Apply instructions and criteria; Appropriateness in the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis.	15%
Group Assignments/Practices/Works (SE5) GROUP ASSIGNMENTS/PRACTICES/WORKS SAME WEIGHT PER EACH	Apply instructions and criteria; Appropriateness to the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis <u>Distribution and organization of work.</u> <u>Everyone must participate</u>	15%

Participation (SE6) PARTICIPATION, ACHIEVEMENT OF OBJECTIVES, AND COMMITMENT THROUGHOUT THE CLASSES	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of achievement of objectives, predisposition, commitment and initiative.	20%
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Notes to the evaluation criteria:

1. All students must meet a minimum of 75% attendance in the whole subject.
2. For the exercises, to be taken into account, they must be delivered through Moodle in time and format.
3. If, when combining the criteria, the final grade is equal to or higher than 5, but the minimum grade for the exams or final tests has not been achieved, the final grade will be reduced to a maximum of 4,0 points.
4. In case a student does not obtain a grade of 5,0, the student may take an extraordinary exam. In that case if the student pass the retake exam, his/her final grade in the subject must be a 5,00.
5. If the student does not comply with 70% of the evaluation activities, the weightings of the evaluation system table will not be applied, and the maximum final grade will be 4,0.

Evaluation criteria to apply at second enrolment:

Types	Criteria	Weight
Individual assignments	To pass the course, the student must deliver all the tasks assigned by the teacher	15%
Taking written exams, multiple choice tests, concept tests and solving practical cases as an exam	At least 5,00 points on the final exam, or at least an average of 5,00 on all examination activities.	70%
Participation	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of the achievement of objectives, predisposition, commitment and initiative.	15%

Evaluation criteria to be applied in the case of school waiver/exemption:

In cases of exemption/dispensing from schooling, provided that the student duly justifies it, the grading criteria will be 70% for the exam (if the subject allows it, two exams will be taken, 35% each) and 30% for individual works. The individual works will serve to control the evolution of the student's learning. Only in cases in which the student is not able to answer in writing, and provide evidence that justifies it, the exam may be oral and the content of the student's answers will be transcribed.

Criteria in health alert:

The student must be permanently identified, with an identification in the classroom and with their full name remotely. Students should not change the spaces they occupy in the classroom, unless directed by a teacher or the program management. Failure to comply with any of the health recommendations during the class sessions may imply failure in the subject.

SUMMARY OF STUDENT WORK HOURS							
ATTENDANCE HOURS							
Lectures (AF1)	Content presentation (AF2)	Homework presentation (AF3)	Exercises and assessment (AF4)	Class discussion (AF5)	Seminars, workshops, case	Interdisciplinary activities (AF7)	Simulations (AF8)

					studies (AF6)		
2	10	2	10	2	2	0	2
NON-ATTENDANCE HOURS							
Study and analysis of documentation (AF9)		Performing assignment and case studies (AF10)		Tutorial sessions (AF11)		Conducting collaborative work (AF12)	
30		10		5		5	
ECTS CREDITS:						3 ECTS	

BIBLIOGRAPHY

Recommended Bibliography

Textbooks

Mercados Financieros I, Cecilio Moral, IT&FI, Madrid 2011
Mercados Financieros II, Cecilio Moral, IT&FI, Madrid 2011

Mercados Financieros III. Casos Prácticos, Cecilio Moral, IF&FI, Madrid 2011

Manual de Corporate Finance y Banca de Inversión, Delta Publicaciones, Primera Edición Jose Maria Revello de Toro, Borja Zamorano, et al

BCE, La aplicación de la política monetaria en la zona euro, BCE 2008
La estabilidad de precios: ¿Por qué es importante para ti?, BCE, 2009

Principios de Finanzas Corporativas, Brealey-Myers, Mc Graw Hill, Madrid 2003
Introducción a los Mercados de Futuros y Opciones, John C. Hull, Pearson, Méjico 2014

Web

International Financing Review, www.ifre.com CNMV, www.cnmv.es

**Banco de España, www.bde.es Banco Central Europeo, www.ecb.int
Tesoro Público, www.tesoro.es www.global-rates.com www.euribor.org**

Bloomberg, www.bloomberg.com Bolsa de Madrid, www.bolsamadrid.es