



COURSE OUTLINE

1. Information about the programme

1.1 Institution of higher education	Alexandru Ioan Cuza University of Iasi
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department (provider)	Finance, Money and Public Administration
1.4 Department (beneficiary)	Management, Marketing and Business Administration
1.5 Field of study	Business Administration
1.6 Level	Undergraduate
1.7 Study programme/ Qualification	Business Administration / Economist

2. Information about the course

2.1 Course name	Financial Markets						
2.2 Course coordinator	Silviu Ursu (Assoc. Prof., PhD)						
2.3 Seminar coordinator	Silviu Ursu (Assoc. Prof., PhD)						
2.4 Year of study	3	2.5 Semester	2	2.6 Type of assessment*	E	2.7 Course status**	E

* MT – Mid-Term / O – Oral Exam / E – Exam / M - Mixed; ** C – Compulsory / E - Elective

3. Total estimated time (hours allotted to teaching activities per semester)

3.1 Number of hours per week	3	of which: 3.2 lecture	2	3.3 seminar/lab	1
3.4 Number of hours in the curriculum	42	of which: 3.5 lecture	28	3.6 seminar/lab	14
Time distribution					hrs
Study of the textbook, coursebook, bibliography and lecture notes					36
Additional research in the library, online and on the field					22
Preparation of seminars/labs, homework, projects, portfolios and essays					42
Tutorship					6
Assessment					2
Other activities.....					-
3.7 Total number of self-study hours					108
3.8 Total number of hours per semester					150
3.9 Number of credits					5

4. Prerequisites (if applicable)

4.1 Curriculum-based	Microeconomics, Macroeconomics
4.2 Competence-based	-

5. Conditions (if applicable)

5.1 For lectures	<ul style="list-style-type: none"> Attendance is strongly encouraged.
5.2 For seminars / labs	<ul style="list-style-type: none"> Attendance is strongly encouraged.





6. Specific competencies

Professional competencies	<p>C1. Gathering, processing and analyzing information about the interaction external environment – firm/organization</p> <p>C2. Assistance for administering the activity of the entire firm/organization</p>
Transversal competencies	<p>CT2. Identification of roles and responsibilities in a multi-specialized team and application of networking and efficient work techniques within the team</p>

7. Course objectives (provided by the specific competencies grid)

7.1. Main objective	<p>This course aims to provide students with an understanding of the fundamentals of financial markets: structure, participants, operations and instruments, and associated theoretical and empirical issues.</p> <p>On completion of the course, students will be familiar with notions and concepts specific to the markets in financial instruments, both securities and derivatives, and will be able to identify and use the financial instruments specific to various transactions carried out on financial markets.</p> <p>Moreover, the course aims to provide students with an introduction to <i>FinTech</i>, the area where finance intersects with information technology, within the perpetually relevant context of analysing and understanding financial markets and institutions from both a historical and functional perspective.</p>
7.2. Specific objectives	<p>On completion of the course, students will be able to:</p> <ul style="list-style-type: none">▪ Explain the role and the functions of financial markets, institutions and instruments;▪ Analyze the types and roles of monetary and non-bank financial institutions;▪ Describe methods of issuing, trading and valuing equity and debt securities;▪ Calculate the profit / loss of a basic transaction with forward, futures, options and swaps;▪ Describe “<i>FinTech</i>” – the technology related to financial products and services and its applications to investment management, bank lending, derivatives, financial regulation;▪ Critically evaluate recent financial news and relevant research in financial markets;▪ Work in a team, communicate subsequent findings, and reflect on the work of others.





8. Content

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	Overview of the Financial Services Industry, Financial Markets and Institutions	Interactive lecture, Brainstorming, Random calling, Ungraded quiz	4h: V(1,2,4,5,9), CFA(1,12,13,14,15)
2.	Equity Markets: Issuance and Trading of Stocks in Primary and Secondary Markets	Interactive lecture, Invention activities, Random calling	4h: V(8), CFA(10,15)
3.	Equity Markets: Risk, Return, and Valuation of Stocks	Interactive lecture, Invention activities, Random calling	2h: CFA(8,10)
4.	Debt Markets: Structure, Participants and Instruments	Interactive lecture, Invention activities, Random calling	2h: V(7), CFA(9)
5.	Debt Markets: Interest Rates and Valuation of Bonds	Interactive lecture, Invention activities, Random calling	2h: V(7), CFA(9)
6.	Derivatives Markets: Forward, Futures and Swaps	Interactive lecture, Invention activities, Random calling	4h: V(14,15), CFA(11)
7.	Derivatives Markets: Options	Interactive lecture, Invention activities, Random calling	2h: V(13), CFA(11)
8.	Crises and Regulation of Financial Markets and Institutions	Interactive lecture, Invention activities, Random calling	2h: V(6,10), H(5)
9.	FinTech and the Remaking of Financial Markets and Institutions	Interactive lecture, Invention activities, Random calling	4h: FT, H(2,4,13,14,15)
10.	Roles and Responsibilities in the Financial System	Interactive lecture, Invention activities, Random calling	2h: S(1-18)

Bibliography

Main readings:

- Valdez, S., and Molyneux, P. (2015). *An Introduction to Global Financial Markets* (8th ed). Macmillan (V)
- CFA Institute Investment Foundations® Program Curriculum, available at <https://www.cfainstitute.org/en/programs/investment-foundations/curriculum/download> (CFA)
- Hill, J. (2018). *Fintech and the Remaking of Financial Institutions*. Academic Press (H) (<https://www.elsevier.com/books/fintech-and-the-remaking-of-financial-institutions/hill/978-0-12-813497-9>)
- Shiller, R.J. (2012). *Finance and the Good Society*, Princeton University Press (S)
- CFA® Program Reading on *Fintech in Investment Management*, available at <https://www.cfainstitute.org/-/media/documents/support/programs/cfa/cfa-program-level-iii-fintech-in-investment-management.ashx?la=en&hash=7E8E4B151F5FA24E1B21D3A17A3F1BE9E8F3960E> (FT)

Additional readings:

- Arner, D.W., Barberis, J., and Buckley, R.P. (2017). *FinTech and RegTech in a Nutshell, and the Future in a Sandbox*. The CFA Institute Research Foundation, available at <https://www.cfainstitute.org/-/media/documents/article/rf-brief/rfbr-v3-n4-1.ashx>
 - Chishti, S., and Barberis, J. (2016). *The FinTech Book. The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries*. Wiley
 - Ferguson, N. (2009). *The Ascent of Money: A Financial History of the World* (10th Anniversary Edition), Penguin Books
 - Mishkin, F., and S. Eakins (2019). *Financial Markets and Institutions* (9th global edition). Pearson
- Lecture notes, solutions to questions and additional teaching materials will be provided throughout the course via FEAA eLearning platform and e-mail (or distributed in class).





8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	Overview of the Financial Services Industry, Financial Markets and Institutions: <i>Quantitative Concepts</i>	Small group discussion, Problem sets in groups	2h: CFA(8)
2.	Equity Markets: <i>Matching of Buyers/Sellers and Profit/Loss Calculation in Primary Markets (IPO), Price Formation and Order Execution in Secondary Markets</i>	Small group discussion, Simulation, Random calling, Problem sets in groups	2h: V(8), CFA(10,15)
3.	Equity Markets: <i>Risk, Return and Valuation of Common Stocks</i>	Small group discussion, Problem sets in groups	2h: CFA(8,10)
4.	Debt Markets: <i>Valuation of Plain-Vanilla Bonds</i>	Small group discussion, Problem sets in groups	2h: V(7), CFA(9)
5.	Derivatives Markets: <i>Payoff Calculation in Transactions with Forward Commitments</i>	Small group discussion, Problem sets in groups	2h: V(14,15), CFA(11)
6.	Derivatives Markets: <i>Basic Options Trading Strategies</i>	Small group discussion, Simulation, Random calling	2h: V(13), CFA(11)
7	FinTech and the Remaking of Financial Markets and Institutions: <i>Financing the Entrepreneurs</i>	Small group discussion, Brainstorming, Random calling, Ungraded quiz	2h: H(2,13)

Bibliography**Main readings:**

- Valdez, S., and Molyneux, P. (2015). *An Introduction to Global Financial Markets* (8th ed). Macmillan (V)
- CFA Institute Investment Foundations® Program *Curriculum*, available at <https://www.cfainstitute.org/en/programs/investment-foundations/curriculum/download> (CFA)
- Hill, J. (2018). *Fintech and the Remaking of Financial Institutions*. Academic Press (H) (<https://www.elsevier.com/books/fintech-and-the-remaking-of-financial-institutions/hill/978-0-12-813497-9>)

Additional readings:

May be provided throughout the course via FEAA eLearning platform and e-mail (or distributed in class).

9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field

This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of **CFA Institute Investment Foundations®** Program and Chartered Financial Analyst (CFA) world-leading certification for finance and are correlated to those of similar courses taught at renowned universities. Moreover, it is a student-centered course that follows best practices of learning and teaching in undergraduate education and is continuously updated based on the feedback of students and alumni.



**10. Assessment**

Type of activity	10.1 Assessment criteria (based on the course learning objectives)	10.2 Assessment methods	10.3 Weight in final grade (%)
10.4 Lectures	<ul style="list-style-type: none">▪ Clarity of explanation of the role and the functions of financial markets, institutions and instruments▪ Depth of analysis of the types and roles of monetary and non-bank financial institutions▪ Clarity of description of equity securities and of methods for issuing and trading stocks in primary and secondary markets▪ Accuracy of application of basic valuation models of equity securities	Midterm test (multiple-choice, true-false and open questions)	30%
	<ul style="list-style-type: none">▪ Clarity of description of debt securities and of methods for issuing and trading bonds in primary and secondary markets▪ Accuracy of application of basic valuation models of debt securities▪ Accuracy of calculation of the profit / loss of a basic transaction with forward, futures, options and swaps▪ Clarity of description of "FinTech" – the technology related to financial products and services and its applications to investment management, bank lending, derivatives, financial regulation	Final exam (multiple-choice, true-false and open questions)	40%
10.5 Seminar/ Labs	<ul style="list-style-type: none">▪ Clarity of description of "FinTech" – the technology related to financial products and services and its applications to investment management, bank lending, derivatives, financial regulation▪ Originality of evaluation of recent financial news articles and relevant research in financial markets▪ Quality of work in a team of students▪ Clarity of speech and ideas and quality of argument, introduction and conclusion in the presentation of the group report	Group report and its oral presentation (for 10 minutes in front of peers and instructor)	30%
10.6 Minimum performance standard			
<ul style="list-style-type: none">▪ Demonstration of the ability to identify, analyze and interpret relevant information on primary and secondary capital markets, to determine the price of stocks and bonds and compute the payoff of transactions with primary and derivative financial instruments, taking the responsibility for tasks specific to the role in a team.▪ Correct answers provided to at least half of questions in the final written examination.▪ A minimum passing grade of 5, computed as $P = 0,30 \times M + 0,30 \times R + 0,40 \times E$, where P – final grade, M – midterm test grade, R – group report grade, E – final exam grade.			





Date
22.09.2021

Course Coordinator
Conf. univ. dr. Silviu Ursu

Seminar Coordinator
Conf. univ. dr. Silviu Ursu

Date of approval
24.09.2021

Head of Department (provider)
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