



COURSE (MODULE) DESCRIPTION

Course title	Code
Financial Markets	

Staff	Department
Coordinator(s): Nora Marija Laurinaitytė Other(s):	Faculty of Economics and Business Administration

Study cycle	Course type
First (Bachelor's)	Compulsory/Elective

Form of implementation	Period of implementation	Language of instruction
Face-to-face	Semester 5	English

Requirements for student	
Prerequisites: familiarity with elementary algebra and calculus	Additional requirements (if any): none

Number of ECTS credits	Student's workload	Contact hours	Individual work hours
5	130	48	82

Purpose of the course and competences developed

The purpose of this course is to introduce students to theoretical and practical aspects of financial markets. The course is structured to help understand the basic concepts relating to different avenues of investment, including the derivatives market. Students will also be introduced to modern investment portfolio management strategies covering topics such as diversification, asset allocation, portfolio optimisation, the relationship between risk and return, factor models and equity valuation.

Learning outcomes	Teaching methods	Assessment methods
Have the essential knowledge about how the financial markets work and how financial crises come about	Lectures and lecture notes, seminars	Final exam (100%)
Gain ability to apply most popular asset pricing models	Lectures and lecture notes, practical classes	
Have the essential knowledge about investment portfolio management	Lectures and lecture notes, seminars	
Understand the role of financial regulation and financial markets supervision	Lectures and lecture notes, seminars	

Course themes	Contact / Individual work: time and assignments								Assignments
	Lectures	Tutorials	Seminars	Practical classes	Laboratory work	Practice	Contact hours	Individual work	
1. Fundamentals of Financial Markets and Institutions	6		2				8	12	Mishkin&Eakins, Ch. 1-2; Ch. 6-8; Seminar discussions
2. Interest rates	2			1			3	10	Mishkin&Eakins, Ch.3-5; Practice session
3. Money Markets	4		2				6	8	Mishkin&Eakins, Ch.11; Seminar discussions
4. Capital Markets	6		2	2			10	18	Mishkin&Eakins, Ch. 12-13; Seminar discussions; Practice sessions
5. Foreign Exchange	4			2			6	10	Mishkin&Eakins, Ch. 15; Practice sessions
6. Derivatives	6			3			9	18	Mishkin&Eakins, Ch. 24; Practice sessions
7. Fundamentals of Investment Portfolio Management	4		2				6	6	Lecture notes, Seminar discussions
Total	32		8	8			48	82	

Assessment strategy	Share in %	Time of assessment	Assessment criteria
Final exam (90 minutes)	100	Final exam period	Written exam held in the exam period. Exam will contain a collection of exercises that require calculations, derivations, or concise answers.

Author	Published in	Title	Issue No. or Volume	Publishing house or Internet site
Required reading				
Lecture notes and slides as well as online resources will be made available to all students.				
F.S. Mishkin, S. G. Eakins	2016	Financial Markets and Institutions	8th Global Edition	Pearson Series in Finance
Supplementary reading (text books)				
Zvi Bodie; Alex Kane; Alan J. Marcus	2010	Investments	9th edition	McGraw-Hill
John C. Hull	2017	Options, Futures and Other Derivatives	10th edition	Pearson Prentice Hall
F. S. Mishkin, K. Matthews, M. Giulliodori	2013	The Economics of Money, Banking & Financial Institutions	European Edition	Pearson Series in Finance
Gitman et al.	2017	Fundamentals of Investing	13th Edition	Pearson Series in Finance
R.E. Bailey	2005	The Economics of Financial Markets		Cambridge University Press
C. Viney	2019	Financial Institutions, Instruments and Markets	9th Edition	McGraw-Hill Irvin