**SYLLABUS: Theory of Financial Markets**

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| **Basic data for the course** |
| **Academic unit:**  | Faculty of Economics |
| **Title of the course:** | Theory of Financial Markets |
| **Level:** | Bachelor level (Bsc) |
| **Status of the course:** | Elective |
| **Year of studies:** | II (4th semester) |
| **Number of hours per week:** | 2 hours |
| **ECTS credits:** | 4 ECTS |
| **Tutor:** | Ass.Dr.Sc. Arbër HOTI |
| **Tutor’s contact details:**  | arber.hoti@uni-pr.edu |
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| **Content of the course** | This course expands on the introductory finance course to expose students to the financial markets environment in which businesses operate. Students investigate the nature and role of the main financial markets within the domestic and global environment. The course presents an overview of the financial system and its various financial markets, instruments and institutions. Students will utilize real data to investigate common financial market applications. |
| **Course’s objectives:** | The objective of the course is to provide students with the knowledge in the area of financial markets, specific financial market instruments, behavior in order to enable them to understand the financial markets processes and their factors, and to make successfully financial decisions on the individual as well as company level. Also this course is designed to equip students with knowledge of financial system and its regulatory framework and environments in Kosovo and as it exists in a developed economy. |
| **The expected outcomes:** | Upon successful completion of this course, students will be able : • To understand the role of the financial system in the economy. • To demonstrate an awareness of the variety of financial instruments. • To outline the efficient market hypothesis. • To be able to explain why do financial intermediaries exist and what is role of financial institutions in modern economyTo know how currency value is determined the short run and long run. • To know exchange rate system history, and the central bank intervention in the currency market, both unsterilized and sterilized. • To be able to explain the differences between futures, options and swaps. |
| **The students’ workload *(hours per semester, ECTS)*** |
| **Activity** | **Weeks** | **Hours** | **Total** |
| Lectures | 2 | 13 | 26 |
| Theoretical / laboratory exercises | 2 | 13 | 26 |
| Practical work | 0 | 0 | 0 |
| Contacts with the teacher / consultations | 1 | 15 | 15 |
| Field exercises |  |  |  |
| Colloquium, seminars | 2 | 2 | 4 |
| Homework | 1 | 10 | 10 |
| Student study time (in library or at home) | 2 | 5 | 10 |
| Final exam preparation | 2 | 5 | 10 |
| **Total** |  |  | **100** |
| Teaching methods:  | Theoretical explanations and practical examples are used throughout the course, aimed at providing a advance knowledge in order to improve advanced finance skills. The method of teaching is interactive and allows to students to ask questions about the current problems within the lecture held. |
|  | Evaluation mode:- Mid term 40%.- The final exam 40%.- Group project 20%. |
| **Literature** |
| **Basic literature:**  | Financial Markets and Institution 11ed, Jeff Madura. |
| **Additional literature:**  | Financial Markets and Institutions (8th Edition) (Pearson Series in Finance)Frederic S Mishkin, Stanley Eakins, January 12, 2014. |

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| **The detailed plan of work:**  |
| **Week** | **Topic**  |
| ***Week 1*** | Introduction to syllabus and materials  |
| ***Week 2*** | Chapter 1 - Role of Financial Markets and Institutions |
| ***Week 3*** | Chapter 1 – cont’ |
| ***Week 4*** | Chapter 4 - Functions of the Fed |
| ***Week 5*** | Chapter 5 - Monetary Policy |
| ***Week 6*** | Chapter 6 - Money Markets |
| ***Week 7*** | Chapter 6 - cont’ |
| ***Week 8*** | Mid-term exam |
| ***Week 9*** | Chapter 7 - Bond Markets |
| ***Week 10*** | Chapter 10 - Stock Offerings and Investor Monitoring |
| ***Week 11*** | Chapter 10 - cont’ |
| ***Week 12*** | Chapter 17 - Commercial Bank Operations |
| ***Week 13*** | Chapter 20 - Bank Performance |
| ***Week 14*** | Chapter 20 - cont’ |
| ***Week 15*** | Final Exam |

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| **Academic policies and code of conduct:** |
| *In accordance with the University of Pristina Statute Code of Conduct.* |