

## SYLLABUS for Theory of Financial Market

Basic data for the course	
<b>Academic unit:</b>	Faculty of Economics
<b>Title of the course:</b>	<b>Theory of Financial Market</b>
<b>Level:</b>	Bachelory
<b>Status of the course:</b>	Elective
<b>Year of studies:</b>	Third year – Sixth semester
<b>Number of hours per week:</b>	2+0
<b>ECTS credits:</b>	4
<b>Time/location:</b>	Faculty of Economics, University of Prishtina “Hasan Prishtina”
<b>Tutor:</b>	Prof. Dr. Driton Balaj
<b>Tutor’s contact details:</b>	driton.balaj@uni-pr.edu
<b>Content of the course</b>	
	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.
<b>Course’s objectives:</b>	
	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
<b>The expected outcomes:</b>	
	Upon successful completion of this course, students will be able : <ul style="list-style-type: none"><li>• To understand the role of the financial system in the economy.</li><li>• To demonstrate an awareness of the variety of financial instruments.</li><li>• To outline the efficient market hypothesis.</li><li>• To be able to explain why do financial intermediaries exist and what is role of financial institutions in modern economy</li><li>• To demonstrate the importance of risk and term</li></ul>

	<p>for the structure of interest rates.</p> <ul style="list-style-type: none"> <li>• To know how currency value is determined the short run and long run.</li> <li>• To know exchange rate system history, and the central bank intervention in the currency market, both unsterilized and sterilized.</li> <li>• To be able to explain the differences between futures, options and swaps.</li> </ul>
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<b>The students' workload (<i>hours per semester, ECTS</i>)</b>			
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Activity		Activity	Total
Lectures	2	15 weeks	30
Seminar (theoretical and practical)			
Case studies			
Direct contact with tutor	1	10	10
Field research			
Colloquiums	2	15	30
Homework			
Individual study (at library or at home)	2	10	20
Final preparation for the exam	1	10	10
Evaluation			
Projects, presentation etc.			
<b>Total</b>			<b>100</b>

Teaching methods:	Theoretical explanations and practical examples are used throughout the course, aimed at providing a advance knowlegde in oder 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.
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<b>Assessment methods:</b>	Student evaluation consists of: Monitoring of the work of students during lectures and their active participation in working groups and preparation of seminars
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<b>Literature</b>	
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<b>Basic literature:</b>	<ol style="list-style-type: none"> <li>1. Financial Markets and Institutions (8th Edition) (Pearson Series in Finance)Frederic S Mishkin, Stanley Eakins, January 12, 2014,</li> <li>2. Financial Markets and Institutions (The McGraw-Hill/Irwin Series in Finance, Insurance and Real Estate) [Hardcover], Anthony Saunders , Marcia Millon Cornett, September 19, 2011,</li> <li>3. Financial Markets and Institutions (</li> </ol>
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	[Hardcover], Jeff Madura, January 1, 2014,
<b>Additional literature:</b>	4. Introduction to the Economics and mathematics of financial markets Fernando Zapatero, Jaksza Cvitanic 2004

<b>The detailed plan of work:</b>	
<b>Week</b>	<b>Topic</b>
<i>Wee 1</i>	Why Study Financial Markets and Institutions
<i>Wee 2</i>	Overview of the Financial System
<i>Wee 3</i>	What Do Interest Rates Mean and What Is their Role in Valuation?
<i>Wee 4</i>	Are Financial Markets Efficient?
<i>Wee 5</i>	Why Do Financial Institutions Exist?
<i>Wee 6</i>	First Test
<i>Wee 7</i>	Why Do Financial Institutions Exist?
<i>Wee 8</i>	Why Do Financial Crises Occur and Why They are so Damaging to the Economy?
<i>Wee 9</i>	Banking and the Management of Financial Institutions
<i>Wee 10</i>	Financial Regulation
<i>Wee 11</i>	Conduct of Monetary Policy: Tools, Goals, Strategy, and Tactics
<i>Wee 12</i>	Financial Market
<i>Wee 13</i>	Risk Management in Financial Institutions
<i>Wee 14</i>	Hedging with Financial Derivatives
<i>Wee 15</i>	Second Test

<b>Academic policies and code of conduct:</b>
Regular attendance of lectures and exercises is compulsory for all students. All students are obliged to follow the rules of etiquette: keeping the peace, disconnection of mobile phones and entry in time in class