

Title of course	<b>Financial Markets</b>
Responsible instructor	Prof Dr Mareike Heinemann
Learning objectives	<ul style="list-style-type: none"> <li>▪ Learn about the types of financial markets, institutions and instruments</li> <li>▪ Understand the relationship between risk and return</li> <li>▪ Understand the effect of correlation on portfolio risk and the limits of diversification</li> <li>▪ Examine various efficient frontiers and grasp the principles of portfolio selection</li> <li>▪ Understand and critically assess the Capital Asset Pricing Model and alternative asset pricing models</li> <li>▪ Consider foreign exchange risks and incorporate an international perspective on asset pricing</li> </ul>
Course contents	<ol style="list-style-type: none"> <li>1. Overview of financial markets, institutions and instruments</li> <li>2. Financial securities, risk and return and the efficiency of financial markets</li> <li>3. Portfolio selection</li> <li>4. Models of asset pricing</li> <li>5. International diversification</li> </ol>
Teaching methods	<ul style="list-style-type: none"> <li>▪ Lectures</li> <li>▪ Exercises</li> <li>▪ Hermeneutic discourses</li> <li>▪ Maieutic discourses</li> <li>▪ Discussion</li> <li>▪ Self-study</li> </ul>
Prerequisites	There are no formal requirements.
Suggested reading	<p>Preferably most recent edition:</p> <ul style="list-style-type: none"> <li>▪ Back, K.E.: Asset Pricing and Portfolio Choice Theory, Oxford University Press</li> <li>▪ De Haan, J. et al.: Financial Markets and Institutions. A European Perspective, Cambridge University Press</li> <li>▪ Elton, E.J. et al.: Modern Portfolio Theory and Investment Analysis, John Wiley &amp; Sons</li> <li>▪ Mishkin, F.S.: The Economics of Money, Banking and Financial Markets, Pearson</li> <li>▪ Mishkin, F.S. &amp; Eakins, S.G.: Financial Markets and Institutions, Pearson.</li> <li>▪ Further references will be given during the classes.</li> </ul>
Applicability	<p>This course is in particular applicable to the following Master programmes:</p> <p>International Business and Economics (M.A.; "IBE"), Finance (M.Sc.).</p> <p>This course is also applicable to other business-oriented Master programmes offered by Schmalkalden University of Applied Sciences.</p>
Workload	<p>Total workload: 180 hours, of them:</p> <ul style="list-style-type: none"> <li>▪ Lecture: 45</li> <li>▪ Self-study: 135, of them: <ul style="list-style-type: none"> <li>▪ Course preparation (in particular reading): 45</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Follow-up: 45</li> <li>▪ Exam preparation: 45</li> </ul>
ECTS credit points and weighting factor	6 ECTS credit points; weighting factor: 6/120 (IBE) or 6/90 (Finance), respectively
Basis of student evaluation	Comprehensive written examination, 90 minutes (100%)
Time	First academic year
Frequency	Each academic year
Duration	One semester
Course type	Elective course
Remarks	Teaching language is English.