



# RICE UNIVERSITY

Aug 19, 2021

## Srikanth Deti

has successfully completed

### Global Financial Markets and Instruments

an online non-credit course authorized by Rice University and offered through Coursera

Arzu Ozoguz  
Finance Faculty  
Jones Graduate School of Business

## COURSE CERTIFICATE



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Coursera has confirmed the identity of this individual and their participation in the course.

# Global Financial Markets and Instruments

by Rice University

## About this Course

Get a running start in the high-stakes world of financial investment! This first course is designed to help you become an informed investor by providing you with the essential concepts for long-term success in managing money.

### ▼ More

You'll start by learning the role of financial markets and financial assets in a well-functioning economy. From there, you'll learn about the wide range of financial instruments available in major asset classes, their features and valuations. You'll explore how financial markets actually operate in the real world, focusing on how and where securities are traded and how various market types differ from one another in practice. You will also learn the basics of algorithmic trading, dark pools, buying on margin and short selling.

Taught by:

**Arzu Ozoguz**, Finance Faculty

Jones Graduate School of Business

By the end of the course, learners will be able to:

- List and distinguish the different financial instruments available to an investor
- Compare global financial markets
- Explain the features of equity, debt, and derivative instruments
- Discuss different traditional and alternative investment and Portfolio Management Specialization
- Discuss the current trends affecting today's financial markets

### Language

This course is designed to be accessible for students of all knowledge levels and gives you the actionable foundation needed to manage money in a post-crisis world.

**English, Subtitles:** Arabic, French, Portuguese (European), Italian, Vietnamese, German, Russian, Spanish

**Volunteer to translate subtitles for this course**

### WEEK 1

Module 1: Introduction & Review of Elementary Finance Tools

### How To Pass

Pass all graded assignments to complete the course.

This module introduces the Investment and Portfolio Management Specialization, which is made up of four courses. This module discusses how the first course, Global Financial Markets and Assets, is organized. It outlines the different stages of the investment management process, which guides the focus of the Specialization. It also reviews basic finance concepts and tools such as time value of money, computing returns, discounting and compounding.

### User Ratings

★★★★☆ 4.6 stars

Topics covered include:

- Familiarize with the organization of the class

- Meet the professor and your peers

- Explain the investment management process

- Review elementary concepts in finance

- Compute present value or future value of a single cash flow

- Compute present value or future value of a stream of cash flows

- Define an annuity or perpetuity

Module 1: Introduction & Review of Elementary Finance Tools

- Apply time value of money tools to solve basic mortgage, loan or retirement problems

This module introduces the Investment and Portfolio Management Specialization, which is

made up of four courses. This module shows the first course, Global Financial

Module 1: Financial system & financial assets: outlines the different stages of the investment

and the next process which guides the key of the specialization to financial assets and

instruments. We start with the following questions: Why do financial markets exist? What do they play?

What are financial assets and how are they different than real assets? How does it all come together?

Basically, this is where I hope you will get to see the big picture of the entire financial system and how it comes together.

Module 1 focuses on fixed income securities. We'll get started with a review of basics of bond valuation.

You will learn about short-term money market instruments, U.S. Treasury securities as well as

corporate bonds. After module 2, you will be able to describe fixed income securities, be familiar with

their institutional features, and identify their cash flows. Finally, you will learn how to value fixed income

securities such as Treasury bills, zero-coupon or coupon bonds and compute yields.

Topics covered include:

• Explain the roles of financial markets

• Distinguish between real and financial assets

• Define and explain money market instruments, zero-coupon and coupon bonds and features

• Identify the cash flows associated with fixed income securities

• Define and explain bond market features

• List the different types of Treasury securities and explain pricing and quoting conventions

• List and define short-term debt instruments such as corporate bonds, mortgage-backed

securities, sovereign debt

• Find the value of a zero-coupon or coupon bonds

• What is the investment management process?

• Pre-Course Survey

• Back to basics (Part 1.1): What is time value of money?

• Back to Basics (Part 1.2): Finding the future value of a cash flow

Module 3: Financial system & financial assets: equity securities and derivatives

In Module 3, we start with the following questions: Why do financial markets exist? What do they play?

What are financial assets and how are they different than real assets? How does it all come together?

Basically, this is where I hope you will get to see the big picture of the entire financial system and how it comes together.

Module 3 focuses on equity securities. We'll get started with a review of basics of equity valuation.

You will learn about equity securities, including common stock, preferred stock, and how

to find the value of a share of common stock or preferred stock. Finally, you will learn how to value

equity securities such as options, forwards and futures. You will be able to explain how these differ from each other and their payoffs.

Topics covered include:

• Distinguish between equities and fixed income securities

• Define and explain the features of equity securities

• Identify the cash flows associated with equity securities

• Explain dividend discount model

• Find the value of a share of common stock or preferred stock

• Define and list different types of derivative securities

• Explain option payoffs

• Distinguish between a forward and futures contract

• Explain forward and futures payoffs

• Identify traditional and alternative asset classes

• Computing the effective annual interest rate

• Computing an effective rate over any period

• Examples, examples, and more examples

Module 4: Organization of financial markets and securities trading

In this module, we discuss how financial markets actually work. We will talk about different trading

strategies and how they are implemented.



- venues and the latest trends in securities trading to familiarize you with the institutional workings of financial markets. After this module, you will be able to compare different trading venues, trading mechanisms, and be able to explain different types of orders.
- Reading:** Review of Elementary Finance Tools Part 3
- Practice Quiz:** Review of Elementary Finance Tools Part 3
- Reading:** Review of Elementary Finance Tools Part 3 Quiz Solutions
- Video:** Back to basics (Part 4.1): Valuing perpetuities and growing perpetuities
- Video:** Back to basics (Part 4.2): Valuing growing annuities
- Topics covered include
- Reading:** Lecture handouts: Review of Elementary Finance Tools Part 4
  - Explain the roles of corporations, households, government, and financial intermediaries in the financial system
  - Practice Quiz:** Review of Elementary Finance Tools Part 4
  - Explain price discovery process
  - Reading:** Review of Elementary Finance Tools Part 4- Quiz Solutions
  - Define different type of orders
  - Video:** Using elementary finance tools - Summary
  - Distinguish between dealer vs. auction markets, different trading platforms
  - Explain margin buying and short-selling transactions
  - Reading:** Review of Elementary Finance Tools- Graded Quiz Solutions
  - Understand the current trading environment such as algorithmic or high frequency trading, dark pools etc.
  - Reading:** Listen to Bloomberg's Masters in Business: Interview with Vanguard CEO Bill McNabb

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 **Graded:** Module 1: Review of Elementary Finance Tools

## WEEK 2

### Module 2: Financial system & financial assets: fixed income securities

In this and the next module, we cover the key institutional features of financial markets and instruments. We ask the following questions: Why do financial markets exist? What role do they play? What are financial assets and how are they different than real assets? How does it all come together? Basically, this is where I hope you will get to see the big picture of the entire financial system and how it comes together. Module 2 focuses on fixed-income securities. We'll get started with a review of basics of bond valuation. You will learn about short-term money market instruments, U.S. Treasury securities as well as corporate bonds. 5 videos, 1 reading, 4 practice quizzes

After module 2, you will be able to describe fixed income securities, be familiar with their institutional features, and the role of cash flows markets, as you will learn how to value fixed income securities such as Treasury bills, zero-coupon or coupon-bonds and compute yields.

- Video:** A primer on financial assets
- Reading:** Lecture handouts: A primer on financial assets
- Practice Quiz:** A primer on financial assets
- Reading:** A primer on financial assets- Quiz Solutions
- Video:** Basics of bond valuation - Part 1
- Video:** Basics of Bond Valuation Part 2
- Reading:** Lecture handouts: Basics of bond valuation



9. **Reading:** A note on bond valuation
10. **Practice Quiz:** Basics of Bond Valuation
11. **Reading:** Basics of Bond Valuation- Quiz Solutions
12. **Video:** Money market instruments
13. **Video:** Calculating U.S. Treasury bill prices
14. **Reading:** Lecture handouts: Money market instruments
15. **Reading:** Federal Reserve Bank's Open Market Operations (optional)
16. **Discussion Prompt:** Watching the Fed for a rate hike?
17. **Practice Quiz:** Calculating Treasury Bill Prices
18. **Reading:** Calculating Treasury Bill Prices- Quiz Solutions
19. **Video:** U.S Treasury securities
20. **Video:** Other long-term debt instruments
21. **Reading:** Lecture handouts: Long-term debt instruments
22. **Practice Quiz:** Long-term debt instruments
23. **Reading:** Long-term debt instruments- Quiz Solutions
24. **Video:** Summing up fixed income securities
25. **Reading:** Financial Assets: fixed income securities- Graded Quiz Solutions

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 **Graded:** Module 2: Financial assets - fixed income securities

## WEEK 3

### Module 3: Financial system & financial assets: equity securities and derivatives

In Module 3, we continue our overview of financial markets and instruments. We next focus on two other major asset classes: equity securities and derivative instruments. You will learn about how equity differs from fixed income securities, the cash flows associated with stock and preferred stock and how to find the value of a share. You will also learn about option strategies. After completing module 3, you will be able to describe all major asset classes, including derivative instruments such as options, forwards and futures. You will be able to explain how these differ from each other and their payoffs.

▼ **More**



1. **Video:** Equity Securities
2. **Video:** Basics of equity valuation



3. **Reading:** A note on equity valuation
4. **Reading:** Lecture handouts: Equity securities
5. **Practice Quiz:** Equity Securities
6. **Reading:** Equity Securities- Quiz Solutions
7. **Video:** Derivative securities: Overview
8. **Video:** Derivative Securities: Options
9. **Video:** Derivative securities: Futures and forward contracts
10. **Reading:** Lecture handouts: Derivative securities
11. **Reading:** A note on option payoffs
12. **Reading:** An illustration of a foreign currency forward contract
13. **Practice Quiz:** Derivative securities
14. **Reading:** Derivative Securities- Quiz Solutions
15. **Video:** Traditional vs. alternative asset classes
16. **Reading:** Global Alternatives Survey (optional)
17. **Video:** Summing Up equities and derivatives
18. **Reading:** Financial assets: Equities and Derivatives- Graded Quiz Solutions

**Show less**

 **Graded:** Module 3: Financial assets - Equities and derivatives

## WEEK 4

### Module 4: Organization of financial markets and securities trading

In this module, we discuss how financial markets actually work. We will talk about different trading venues and the mechanics of securities trading. I will emphasize a lot of terminology and the latest trends in securities trading to familiarize you with the institutional workings of financial markets. After this module, you will be able to compare different trading venues, trading mechanisms, and be able to explain different types of orders, including transactions like margin buying and short-selling; you will be familiar with the language and terminology you need in order to become an informed practitioner of investments.

▼ **More**

 8 videos, 10 readings, 2 practice quizzes

1. **Video:** Overview – Market structure: where rubber meets the road
2. **Video:** Major players in financial markets
3. **Video:** Primary and secondary markets
4. **Reading:** Roaring ahead: ETFs have overtaken hedge funds as an investment vehicle (optional)



5. **Reading:** ETFs Report: A market driven by 'speculators' (optional)
6. **Reading:** Lecture handouts: Organization of financial markets
7. **Practice Quiz:** Organization of financial markets
8. **Reading:** Organization of financial markets- Quiz Solutions
9. **Video:** Types of order
10. **Video:** Margin transactions
11. **Video:** Short sales
12. **Reading:** Market declines: What is accomplished by banning short-selling? (Optional)
13. **Video:** New trends in securities trading
14. **Reading:** What caused the Flash Crash? (optional)
15. **Reading:** Lecture handouts: Trading mechanics
16. **Practice Quiz:** Trading mechanics
17. **Reading:** Trading Mechanics- Quiz Solutions
18. **Video:** Summary
19. **Reading:** Organization of Financial Markets and securities trading: Graded Quiz Solutions
20. **Reading:** End-of-Course Survey

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**Graded:** Module 4: Organization of financial markets and securities trading

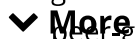
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## How It Works

### General

#### How do I pass the course?

To earn your Course Certificate, you'll need to earn a passing grade on each of the required assignments—these can be quizzes, peer graded assignments, or programming assignments. Videos, readings, and practice exercises are there to help you prepare for the graded assignments.



Course 1 of Specialization

## Build a Winning Investment Portfolio

Improve your investment strategies with real-world skills, insights, and analytical tools.

Coursera

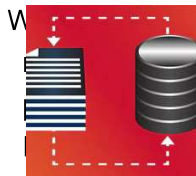


Once you enroll,

you'll have access to all videos, readings, quizzes, and programming assignments (if applicable). If you don't finish all graded assignments before the end of the course, you can reset your deadlines. Your progress will be saved and you'll be able to pick up where you left off.

**View the course in catalog**

## What are due dates? Is there a penalty for submitting my work after a due date?



Calculate Data in SQL using MySQL Workbench  
Coursera Project Network

Yes, there are suggested due dates to help you schedule and keep coursework from piling up. Quizzes and assignments can be submitted late without consequence. It is possible that you won't receive a grade if you submit your peer-graded assignment too late because classmates usually review assignment within three days of the assignment deadline.



Astro 101: Black Holes

University of Alberta  
Can you submit an assignment?

Yes. If you want to improve your grade, you can always try again.



Introduction to Text Classification in R with quantmod  
Coursera Project Network

Attempting a peer-graded assignment. If you submit your work, you can't make sure there's enough time for your classmates to review your work. In some cases you may need to wait before submitting a programming assignment or quiz. We encourage you to review course material during this delay.



Interpretable Machine Learning Applications: Part 2

Coursera Project Network



Brand Management: Aligning Business, Brand and Behaviour

University of London, London Business School



