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| Title of course | **Financial Markets** |
| Responsible instructor | Prof Dr Mareike Heinemann |
| Learning objectives | * Learn about the types of financial markets, institutions and instruments * Understand the relationship between risk and return * Understand the effect of correlation on portfolio risk and the limits of diversification * Examine various efficient frontiers and grasp the principles of portfolio selection * Understand and critically assess the Capital Asset Pricing Model and alternative asset pricing models * Consider foreign exchange risks and incorporate an international perspective on asset pricing |
| Course contents | 1. Overview of financial markets, institutions and instruments  2. Financial securities, risk and return and the efficiency of financial markets  3. Portfolio selection  4. Models of asset pricing  5. International diversification |
| Teaching methods | * Lectures * Exercises * Hermeneutic discourses * Maieutic discourses * Discussion * Self-study |
| Prerequisites | There are no formal requirements. |
| Suggested reading | Preferably most recent edition:   * Back, K.E.: Asset Pricing and Portfolio Choice Theory, Oxford University Press * De Haan, J. et al.: Financial Markets and Institutions. A European Perspective, Cambridge University Press * Elton, E.J. et al.: Modern Portfolio Theory and Investment Analysis, John Wiley & Sons * Mishkin, F.S.: The Economics of Money, Banking and Financial Markets, Pearson * Mishkin, F.S. & Eakins, S.G.: Financial Markets and Institutions, Pearson. * Further references will be given during the classes. |
| Applicability | This course is in particular applicable to the following Master programmes:  International Business and Economics (M.A.; “IBE”), Finance (M.Sc.).  This course is also applicable to other business-oriented Master programmes offered by Schmalkalden University of Applied Sciences. |
| Workload | Total workload: 180 hours, of them:   * Lecture: 45 * Self-study: 135, of them: * Course preparation (in particular reading): 45 * Follow-up: 45 * Exam preparation: 45 |
| 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. |