

Degree	Type	Year
Economía y Administración de Empresas	OP	1

## Contact

Name: Maria Antònia Tarrazón Rodón

Email: mariaantonia.tarrazon@uab.cat

## Teachers

Jordi Caballe Vilella

Florina Raluca Silaghi

Sefa Takmaz

## Teaching groups languages

You can view this information at the [end](#) of this document.

## Prerequisites

Fundamentals of Economics and Business I

Fundamentals of Economics and Business II

## Objectives and Contextualisation

Financial Economics and Financial Market Analysis

Foundations of Finance: Assets, market behavior, market phenomena, and decisions about saving, consumption and investment. Value creation in financial markets: Required rate of return and asset pricing of shares, bonds and derivatives.

## Learning Outcomes

1. CA16 (Competence) Identify opportunities for optimal return on investment in new or under-explored markets.

2. CA17 (Competence) Write risk assessment and return estimate reports in a clear and rigorous manner, aimed at both a specialist and non-specialist audience in the financial field.
3. CA18 (Competence) Analyse the effect of financial decision-making on the economy, people and society as a whole.
4. CA19 (Competence) Incorporate considerations of ethical and social responsibility into financial decision-making.
5. KA21 (Knowledge) Relate decision-making models under uncertainty to situations in which choices are made between different financial assets.
6. KA22 (Knowledge) Correctly recognise the different factors of the behaviour of financial assets in environments characterised by risk and lack of complete information.
7. SA10 (Skill) Analyse the behaviour of financial assets in environments of high complexity and rapid change.
8. SA11 (Skill) Apply optimal investment strategies based on theoretical knowledge about the functioning of the financial markets and the available information.
9. SA12 (Skill) Apply ethical, social and environmental values in the selection of business investments.

## Content

### *Financial Economics (20 hours)*

- Decisions and portfolio choice under uncertainty
- General equilibrium under uncertainty and the valuation of contingent claims
- Incomplete markets

### *Market Efficiency and Equity (20 hours)*

- Information, market efficiency and market regulation
- Mean-variance models: CAPM and APT
- Share valuation models

### *TSIR and Bond Management (9 hours)*

- The term structure of interest rates
- Types of risk affecting fixed-income management
- Duration, convexity and the immunization strategy

### *Derivatives (11 hours)*

- Futures and option pricing in continuous time
- Financial strategies involving options
- Financial strategies involving futures

## Activities and Methodology

Title	Hours	ECTS	Learning Outcomes
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Type: Directed		
Lectures with ITC support	37.5	1.5
Resolution of exercises	37.5	1.5
Type: Supervised		
Tutoring and monitoring work in progress. In-class presentations	62.5	2.5
Type: Autonomous		
Study, Reading, Exercise solving, Essays writing,	79.5	3.18

The activities that will allow the students to learn the basic concepts included in this course are:

1. Theory lectures where the instructor will explain the main concepts.

The goal of this activity is to introduce the basic notions and guide the student learning.

2. Problem Sets

In some subjects, a problem set which students will have to solve individually or in teams will be included in every unit. The goal of this activity is twofold. On one hand students will work with the theoretical concepts explained in the classroom, and on the other hand through this practice they will develop the necessary skills for problem solving.

3. Practice lectures

The aim of this activity is to comment on and solve any possible doubt that students may have had solving the problem assignment. This way they will be able to understand and correct any errors they may have had during this process.

4. Essay writing

In some subjects, students will produce written essays on the topics proposed.

5. Tutoring hours

Students will have some tutor hours in which the subject instructors will help them solve any doubts they may have.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

## Assessment

### Continous Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exam Part I	21.66%	1	0.04	CA16, CA18, CA19, KA21, KA22, SA10, SA11, SA12
Exam Part II	21.66%	1	0.04	CA16, CA18, CA19, KA21, KA22, SA10, SA11, SA12

Exam Part III	10.83%	0.5	0.02	CA16, CA18, CA19, KA21, KA22, SA10, SA11, SA12
Exam Part IV	10.83%	0.5	0.02	CA16, CA18, CA19, KA21, KA22, SA10, SA11, SA12
Exercises and essays	35%	30	1.2	CA16, CA17, CA18, CA19, KA21, KA22, SA10, SA11, SA12

1. The module consists of a number of different subjects or parts taught by different professors. The final mark for the module will consist of the average of the marks of each subject within the module.

- The module is considered successfully passed if:
  - the mark for each subject within the module is higher than or equal to 3.0 (in a 0 to 10 scale), and
  - the final mark for that module is higher than or equal to 5.0 (in a 0 to 10 scale).

IMPORTANT: Students are expected to attend all lectures. Class attendance and in-class participation will be part of the final assessment of each subject.

- If the module is not successfully passed, the MEBA coordinators will ask the student to re-take the exams for those subjects that, according to the coordinators and the professors opinions, may help the student to successfully pass the module.

If after the re-take exams the student successfully passes the module, her or his mark for that module will be upgraded accordingly, otherwise the previous grade will remain valid. Two restrictions apply for the results after retaking:

- the highest mark for any subject retaken is 5.5; and
- the final grade of the module after the re-take exams cannot be higher than 6.8.

The calendar for the re-retake exams will be announced along with the grades report.

2. The mark -between 0 and 10- for each subject will be computed by each professor based on his or her own criteria and on the student's performance. As a general rule, 35% of the mark will correspond to the assessment of the continuous work of the student during the course, and 65% will consist of a comprehensive final examination. The duration and nature of the final examination is decided by each professor.

3. Final exams are compulsory. Re-take exams are only thought for those students having previously written a first exam and failed.

***This modul does not offer the option for comprehensive evaluation.***

## Bibliography

### Basic Bibliography

Bodie, Z, A. Kane and A. Marcus. *Investments*. 13<sup>th</sup> edition. McGraw-Hill. 2023.

Brealey, R.A., S.C. Myers, F. Allen and A. Edmans *Principles of Corporate Finance*. 14<sup>th</sup> edition. McGraw-Hill. 2023.

Campbell, J. Y., *Financial Decisions and Markets: A Course in Asset Pricing*. Princeton University Press. 2018.

Copeland, T.E., J.F. Weston and K. Shastri. *Financial Theory and Corporate Policy*. 4<sup>th</sup> edition. Addison-Wesley. 2004.

Hillier, D., M. Grinblatt, and S. Titman. *Financial Markets and Corporate Strategy*. European edition, 3<sup>rd</sup> edition. McGraw-Hill. 2023.

Hull, J. *Options, Futures and Other Derivatives*, 11<sup>th</sup> edition. Pearson Education. 2022.

#### Complementary bibliography

de la Grandville, O. *Bond Pricing and Portfolio Analysis. Protecting Investors in the Long Run*. MIT Press. 2003.

Gollier, C. *The Economics of Risk and Time*. MIT Press, 2001.

Hens T. and M.O. Rieger. *Financial Economics. A Concise Introduction to Classical and Behavioral Finance*. 2<sup>nd</sup> edition. e-book. Springer. 2016. UAB e-catalogue.

Lee, C-F. and A.C. Lee (eds.). *Encyclopedia of Finance*. 2<sup>nd</sup> edition. e-book. Springer. 2013. UAB e-catalogue.

Semmler, W. *Asset Prices, Booms and Recessions*. 3<sup>rd</sup> edition. Springer. 2011. UAB e-catalogue.

*The New Palgrave Dictionary of Economics*. e-book. Macmillan. 2018. UAB e-catalogue.

## **Software**

Excel. R. Stata.

## **Groups and Languages**

Please note that this information is provisional until 30 November 2025. You can check it through this [link](#). To consult the language you will need to enter the CODE of the subject.

Name	Group	Language	Semester	Turn
(TEM) Theory (master)	30	English	second semester	morning-mixed