УНИВЕРСИТЕТ ЗА НАЦИОНАЛНО И СВЕТОВНО СТОПАНСТВО

UNIVERSITY OF NATIONAL AND WORLD ECONOMY

Adopted with Faculty Council decision
of Faculty of *General economics*
Protocol № ….. / ……

Approved by:
Dean of Faculty
Prof. Georgi Petrunov, PhD

SYLLABUS

Course		**FINANCIAL MARKETS**	
Course Category		**OPTIONAL**	
Area of Study		**3. SOCIAL, ECONOMIC AND LAW SCIENCES**	
Field of Study		**3.8. ECONOMICS**	
Degree Programme		**ECONOMICS TAUGHT IN ENGLISH**	
Educational and Qualification Degree		**BACHELOR**	
Faculty		**GENERAL ECONOMICS**	
Department		**ECONOMICS**	
Academic Hours/classes		**Full Time**	60
		Distance Learning	
Extracurricular activities		**Full Time**	90
		Distance Learning	
Credits		**6**	
Lecturer		**Assoc. prof. Kamelia Asenova, PhD** **Assoc. prof. Petar Peshev, PhD**	

COURSE DESCRIPTION

1. The course *"Financial Markets"* is taught to students enrolled in "Economics taught in English" degree programme for "bachelors" EQD, as of 2010/2011 academic year.

2. The "Financial Markets" course implies obtaining in-depth knowledge of the role and functioning of financial markets. For this purpose, during the training, the problems of the financial markets are interpreted through the prism of the latest aspects in their development and the peculiarities of the functioning of the money and capital markets in developed and emerging economies and markets are identified. The subject of research are the markets of debt, equity and derivative financial instruments with a focus on analytical methods, including fundamental and technical analysis, as a starting point for analysis and decision-making. Agent's behaviour and psychological aspects of investment decision-making are also examined. The current course examines the peculiarities of financial intermediation, as a connecting link between individual entities in the economy.

3. The "Financial Markets" course is taught in Bulgarian and English.

CONTENT

№	TOPIC	Academic Hours			
		Full Time		Distance Learning	
		L	S	L	S
I	**General characteristics of the financial system.**	**8**			
T. 1	Financial system - essence, functions, tasks and flows. Financial markets - classification and instruments. Financial market participants. Modern characteristics and dimensions of the financial system.	4			
T.2	Interest rates - the link in the economy. Types of interest rates. Determinants of interest rates. Term structure of interest rates. Interest rates and prices of financial instruments.	4			
II	**Debt and equity financial instruments. Stock markets. Currency markets. Markets in derivative financial instruments.**	**24**			
T. 3	Characteristics of bond markets. Features of bond loans. Structure, pricing, profitability and impact on macroeconomic activity. Financing through long-term bonds. Bulgarian EU and US bond markets. Comparative analysis of the segments of the bond markets. Performance indicators.	4			
T. 4	Equities. Methods for valuation of equities. Dividend-discount model, adjusted dividend-discount model, capital assets valuation model, arbitrage price model, price-profit method, etc. Determinants of stock prices. Equity risk assessment. Efficiency of stock markets in the EU, USA, Asia and Bulgaria. Corporate dividend policy - theories and role on the value of shares.	4			
T. 5	Stock exchanges, stock exchange indices and performance indicators on stock markets. Market capitalization, market turnover and volumes of stock exchange trading. The development of stock exchanges on a global scale - world stock exchanges in the USA, Asia, in the EU and Bulgaria. Formation of a world stock exchange.	4			

T. 6	Markets in derivative financial instruments. Futures, options, swaps, forwards, etc. Models for estimating the interest rate of derivative financial instruments. Participants in derivative markets. Features of derivative financial markets in the USA, Asia, and the EU, incl. on the Bulgarian capital market.	4			
T 7	OTC Global Financial Markets (OTC). OTC markets of traditional and hybrid financial instruments - forward contracts, options, etc. Differences with organized world stock markets. Settlement.	2.5			
T. 8	Currency markets. Demand and supply of foreign currency. Determinants of the exchange rate. Currency transactions - today's value date, tomorrow's value date and spot value date. Futures, forward and swap currency transactions. Currency options. The market of currency pairs - forex / forex /. The law of one price. Purchasing power parity theory. Theory of optimal currency zones.	5.5			
III	**Financial intermediation and development of financial markets.**	**8**			
T. 9	Credit policy of banking institutions. Credit standards and credit risk. Methods for credit risk assessment and management. Quality of the Commercial banks loan portfolio. Characteristics of the credit policy following the example of the USA and selected EU countries.	4			
T. 10	Management of banks' investment portfolios. Credit risk diversification. Maturity structure of investments in securities. Status and prospects in the credit policy of banks in Bulgaria, in other EU member states and in the USA.	4			
IV.	**Market analysis of financial instruments and psychological aspects of investment decision making**	**12**			
T. 11	Technical analysis. Peculiarities on its application on different financial instruments. Types of charts displaying the price dynamics. Trend. Trend lines. Trend confirmation and false breakouts. Support and resistance levels. Major trend analysis indicators. Features, parameters and modification. Oscillators for market analysis. Fibonacci analysis. Chart patterns for market analysis. Elliot wave theory. Dow theory. Japanese candlesticks.	4			
T. 12	Fundamental analysis. Application in various types of financial instruments, resp. foreign exchange markets, stock markets and exchange traded goods. Main indicators at macro and microeconomic level. Top-down and bottom-up approaches for analysing financial instruments. Financial statements - the main source for the analysis of corporate securities.	4			
T. 13	Psychology and behavioural finance in trading financial markets. Cognitive and emotional psychological tendencies, over-trading, "hot" markets in the initial public offering. Why can't we close the losing positions and the destructive tendency - reluctance to lose.	4			
V.	**Monetary policy and influence on aggregate supply, demand and the financial system.**	**8**			
T. 14	Central banks and monetary policy of central banks. The monetary policy of the world's leading central banks in response to the global financial crisis. The experience of the Fed, ECB, BOE, BOJ and others. Effectiveness of monetary policy at variable and fixed exchange rates. Analysis of	4			

	money transmission in the aspect of interest rate control and the concept of money endogeneity. The Mundell-Fleming-Tobin model. The failures of the money transmission in the crisis.				
T. 15	Impact of monetary policy on aggregate production, employment and inflation. Theories of sticky nominal wages and prices. The new classic model and irrelevant monetary policy. Neo-Keynesian models for long-term wage contracts and the insider and outsider model. Empirical confirmation of the role of monetary policy on inflation and unemployment in the practice of the ECB and the Fed.	4			
	Total	**60**			

Legend: L – Lectures; S – Seminars

TEACHING AND LEARNING METHODS

A combination of different teaching techniques and methods is applied in instruction such as lectures, seminars, discussions, outsourced training in a business environment or administration, individual assignments, reports, surveys, case studies, among other methods.

The necessary technical resources for the purpose of instruction are: multimedia, software, Information and communications technology (ICT), digitally-aided education and other digital devices.

The preparation of the individual course designed for the students enrolled in distance form of education includes *(completing a coursework assignment by: 1. choosing a topic from a list of provided topics;2. sending the completed coursework to the lecturer; 3. Presenting the topic from the coursework assignment.).*

EXTRACURRICULAR ACADEMIC HOURS

Components	**Number of Hours**	
	Full Time	**Distance Learning**
1. Practical training		
2. Course project	**25**	
3. Essay		
4. Case study		
5. Individual assignment/ team activity	**15**	
6. Laboratory training		
7. Mid-term exam/ test	**25**	
8. Ongoing assessment		
9. Exam	**25**	
Total	**90**	

ASSESSMENT

The course assessment consists of several components.

For full time students the final grade is formed as follows:

FG = 50%E +20% MTE + 10% OA + 20% IA,

where:

FG	=	Final Grade;
E	=	Exam
MTE	=	Mid-Term Exam;
OA	=	Ongoing assessment;
IA	=	Individual assignments.

Electronic platforms (such as MS Teams; Google Forms; Moodle) and other modern educational technologies are used, both for training and for assessing and controlling its results, including the use of a test center.

The final grade is based on a six-point scale, in which the lowest grade for successful completion of the course is 3. Converted to the ECTS the grading scale the grades are as it follows:

Excellent /6/	Very Good /5/	Good /4/	Average /3/		Poor /2/	
A	**B**	**C**	**D**	**E**	**FX**	**F**
The corresponding number of ECTS credit points is being allocated					No ECTS credit points are being allocated	

QUALIFICATION GOALS

The discipline provides students with the following basic knowledge:

• on the problems of the functioning of the financial markets, all participants and traded financial instruments;

• on

• Training in the discipline forms the following basic skills in students:

• Carrying out independent scientific research on the issues discussed in the course;

• Applying critical analysis to research problems;

• Making more informed decisions about the disposal of financial instruments.

This course is designed in compliance with the requirements of the National Qualification Framework[1] in terms of acquired knowledge, skills and competences for the corresponding EQD and Council Recommendation of Key Competences for Lifelong Learning[2].

The course provides the students with the knowledge of:

- The functioning of the financial markets, incl. participants and traded financial instruments;
- Methods of analysis of financial instruments and psychological challenges in decision-making;

[1] The National Qualification Frame of Bulgaria gives the definition of the knowledge, skills and competences which are required as a result of the education process in the corresponding EQD in higher education.

[2] Council Recommendation on Key Competences for Lifelong Learning (OJ 2018/C 189/01)

The course will help students acquire skills such as:

- Carrying out independent scientific research on the issues discussed in the course;
- Applying critical analysis to research problems;
- Making more informed decisions about the disposal of financial instruments.

DISSEMINATION OF THE COURSE

1. HARVARD UNIVERSITY
2. UNIVERSITY OF BATH
3. THE UNIVERSITY OF NEW SOUTH WALES
4. UNIVERSITY OF APPLIED SCIENCES SOLOTHURN NORTWESTERN SWITZERLAND;
5. LONDON METROPOLITAN UNIVERSITY;
6. FLORIDA ATLANTIC UNIVERSITY.

LITERATURE

A. Basic

1. Недев, Т. и И. Тасков (2023). Фондови пазари, ISBN 9786192327873, УНСС.
2. Иванчев Б., (2014). История на българския капиталов пазар т.1(1862-1948 г.), Изток-Запад, София
3. Закон за публично предлагане на ценни книжа. В сила от 31.01.2000 г., изм. и доп. ДВ. бр.72 от 27 Август 2024г.
4. Закон за пазарите на финансови инструменти. В сила от 16.02.2018 г., изм. ДВ. бр.79 от 17 Септември 2024г.
5. Мишкин, Фр., Теория на парите, банковото дело и финансовите пазари, Изд. "Отворено общество", С., 1995 г.
6. Трифонова, В., Паричен икономикс (теория и методология), УИ "Стопанство", С., 2012 г.
7. Трифонова, В., с колектив, Корпоративни финанси, Изд. "Тракия-М", С., 1999 г.
8. Mishkin, F.S. and S.G. Eakins. (2023). Financial Markets and Institutions. 10th ed., Global ed., Pearson.
9. Bodie, Z., A. Kane, A. Marcus. (2023) Investments, 13th Edition, ISBN: 9781264412662, McGraw-Hill Education.
10. Mishkin, F.S. The Economics of Money, Banking, and Financial Markets. 12th ed. Pearson, 2019.
11. Fabozzi, F. J., F.J. Jones. Foundations of Global Financial Markets and Institutions. The MIT Press, 2019.
12. Cline, D. & Mazumder , S. (2022). Money, Banking, and Financial Markets; A Modern Introduction to Macroeconomics, 1st edition, ISBN: 2021046990, Routledge
13. Wade, D. & Simeri, S. (2022). Day Trading in the 2020-2030 Decade: From Zero to Passive Income. Practical Guide for Newbies to Learn How to Trade Financial Markets (Forex, Cryptocurrency, Stocks, Options, Futures) in 11 Easy Steps, ISBN: 9798215909560, Dexter Wade & Flavio Simeri.

B. Additional

1. Alex, H. (2021). Technical Analysis of the Financial Markets: Tips and Tricks to make Good Money through Candlestick Trading, Charting, Cryptocurrency, Chinese Crypto and Technical Analysis with the Financial Markets
2. https://listingcenter.nasdaq.com/rulebook/nasdaq/rules

3. https://www.londonstockexchange.com/resources/securities-trading-resources?tab=rules-and-regulations
4. https://www.investing.com/
5. Ivantchev B., IPO HOT MARKETS IN BULGARIA: PERFORMANCE, INVESTOR BIASES, JAEFA, V. 1 May 2015, , p. 26-33, ISSN 2327-9087
6. Van Der Post, Hayden (2023). Calculus: The Mathematics of Financial Markets: A Comprehensive survey of Financial Calculus, 4th edition, ISBN : B0CPFW3LSD, Reactive Publishing.
7. Moloney Niamh (2023). EU Securities and Financial Markets Regulation, ISBN: 9780198844877, Oxford University Press
8. Трифонова, В., "Интеграцията на финансовите пазари в рамките на ЕС", Научно-изследователски проект на УНСС "Структурни и институционални аспекти на икономическата интеграция в Европейския Съюз", УИ "Стопанство", С., 2011 г.
9. Трифонова, В., " Състояние, ефективност и конкурентоспособност на българския капиталов пазар при прехода към функционираща пазарна икономика", Научноизследователски проект НИД 21.03-1/2003 г. "Икономическа трансформация и конкурентоспособност на преходните икономики", УИ "Стопанство", С. 2004 г.

Electronic and web-based resources

http://www.bse-sofia.bg
http://www.bnb.bg/
http://www.minfin.bg/
http://www.investor.bg
http://www.moitepari.bg/
http://www.capital.bg/
http://www.ecb.int/
http://www.oecd.org/

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