***Financial Derivative Instruments***

***B.1.2.3.5.3***

**Degree:** Bachelor

**Year:** 2018/2019 academic year (admission: as of 2015, 4th year)

**Semester:** Fall (7)

**General workload:** 4 ECTS credits, 144 hours

**Goals and objectives of the course**

To shape a comprehensive view of the derivatives market, learn about the range of financial derivative instruments that are present on the market, the key market participants and their trading strategies, the possibility of using financial derivative instruments in order to increase returns and hedge risks.

**Key didactic units**

The concept and types of financial derivative instruments. Approaches to the definition of financial derivative instruments, their classification. Basic characteristics of financial derivative instruments. Generic and non-generic functions of financial derivative instruments. The concept of an underlying asset of the futures contract. Structure and classification of financial derivative markets. The world market of financial derivative instruments: its scale, structure, quantitative parameters. The foreign exchange and over-the-counter derivatives markets. Key properties, features, fundamentals of pricing related to the key types of futures contracts: forwards, futures, options, swaps. Financial derivative instruments market participants. Financial derivative instruments used for speculation, arbitrage, hedging purposes.

**Place of the discipline within the curriculum**

The course is an elective within the curriculum of professional training unit program 080100.62 in Economics (concentration: International Finance).

**Upon completing the course, the students should:**

Know: the concept, functions and types of financial derivative instruments

Be able to: use financial derivative instruments to manage risks and returns of the investment portfolio

Have: knowledge of the tools associated with financial derivative instruments used for the investment strategy development

**Course structure:** lectures, seminars, creative home assignment, independent student work.

**Summative assessment:** examination.