

Modern Financial Markets

Degree: Master

Year: 2019/2020

Semester: spring

General workload: 3 ECTS credits, 108 hours

Goals and objectives of the course

To provide a comprehensive view of the modern financial markets' key segments' structure, incl. different types of securities; to acquire knowledge of the way trading operations are structured and of the financial intermediaries. In addition, the course introduces the main concepts and models described in the subsequent courses of finance. We start from describing the reasons why the financial markets emerged and offer a brief history of development of finance. Then, we will discuss the characteristics of the basic financial instruments (incl. debt and equity) and derivatives (incl. forwards, futures, options, and swaps). We will proceed to the characteristics of the primary and secondary markets and different types of financial intermediaries (commercial and investment banks, mutual and pension funds, etc.) taking into account the impact made by transaction costs, asymmetric information, and conflicts of interests. Capital market operations, including initial public offerings, mergers and acquisitions and bankruptcy will also be discussed. Finally, we will examine the regulators' role and the major trends observed on the financial markets. Throughout the course, we will discuss the international best practices and compare them with the Russian best practices.

Upon completing the course, the students should:

Know: fundamentals of a market economy, theory of finance, money circulation and lending, accounting system specifics, the probability theory and mathematical statistics needed to solve economic problems.

Be able to: use economic and mathematical tools to solve economic problems.

Have: skills needed for operations with primary data sources, and for summarizing and interpreting the data obtained.

Key didactic units

The role and functions of financial markets

Financial market regulation

The Central Bank and monetary regulation

Banks as the key Russian financial market players

Securities and derivatives market

Financial intermediaries in the securities and derivative financial instruments market

Trading and settlements on the securities and derivative financial instruments markets

Foreign exchange market and precious metals market

Property interests and insurance

The main types of insurance business operations and insurance services market participants

Insurance products available on the Russian insurance services market

Course structure: oral tests, tests, assignments, discussion of known topics

Summative assessment: examination