




Teacher(s)	Claes Anouk ;
Language :	English
Place of the course	Bruxelles Saint-Louis
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <ul style="list-style-type: none"> • obtain knowledge about the financial markets: learn how to define and identify fundamental financial concepts, among which e.g. financial products. • understand financial economic newspaper articles (and reports) and explain them in their own words. • apply the theoretical concepts during exercise sessions during which financial problems will be solved (e.g. with respect to time value of money, the term structure of interest rates, pricing of financial instruments and the risk-return trade off) and graphical representations will have to be made.
Evaluation methods	<p>1. Written exam (90% of the final grade) During an on-campus closed book exam, students will need to identify, define and explain theoretical concepts as well as solve numerical problems.</p> <p>2. Group assignment (10% of the final grade) Students will be asked to take a: participate in a (virtual) trading game (using a trading platform) and explain their trades.</p>
Teaching methods	<p>The lectures During the lectures the theoretical concepts will be explained. Students will be encouraged to participate to class, answering to questions that will be raised (e.g. using Wooclap). Financial examples applying theoretical concepts will be demonstrated, together with a (virtual) trading example and financial applications in MS Excel.</p> <p>TA sessions Students will have the opportunity to solve problems under the guidance of an assistant, who will demonstrate the exercises. Students are encouraged to review the lecture before attending exercise classes.</p>
Content	<p>In a first part, money and the financial system will be introduced. In order to enable the pricing of financial instruments, the time value of money will be addressed. Present and future value calculations of a single cash flow, of cash flow streams, annuities and perpetuities will be taught.</p> <p>Both money market (treasury bills, commercial paper, repo) and capital market products (bonds, stocks) will be discussed. We will go into the pricing and the risk of bonds and stocks.</p> <p>The importance of financial intermediaries is also addressed, focusing on the structure of the financial industry, financial institutions and the regulator. Finally current issues in finance will be discussed.</p> <p>Contents in detail:</p> <p>Part 1: Introduction Introducing Money and the Financial System Money and the Payment system</p> <p>Part 2: Financial Markets Interest rates, and the rates of return Determining interest rates The risk structure and Term structure of Interest rates The stock markets and the efficient market hypothesis Derivatives The market of foreign exchange</p> <p>Part 3: Financial Institutions Transaction costs and Asymmetric Information Banking Investment Banks, Mutual funds and the shadow banking system</p> <p>Part 4: Current Issues in Finance Sustainable Finance</p>
Inline resources	<p>On the university's electronic platform the following additional information will be offered:</p> <ul style="list-style-type: none"> - a copy of the slides used in class

	<ul style="list-style-type: none">- the exercises that will be solved during the exercise classes. Additional exercises will be added (partially with solutions)- (simple) MCQ tests that will enable students to verify whether they can identify key concepts in financial markets.
Bibliography	<p>Lecture intéressante: The Economics of Money, Banking and Financial Markets (12th Edition) (The Pearson Series in Economics) – Frederic S. Mishkin - Paperback ISBN: 9781292268859</p> <p>Il est à noter que les étudiants devront également suivre l'actualité financière et que l'ensemble des documents évoqués lors du cours fera partie de la matière d'examen.</p>
Faculty or entity in charge	ESPB

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Bachelor in Economics and Management (French-English)	ECAB1BA	4		
Bachelor : Business Engineering (French-English)	INAB1BA	4		
Bachelor of Science in Business Engineering	BBEB1BA	4		
Bachelor in Economics and Management [Dual Bachelor's degree for the holder of a Bachelor in Law]	ECGB1BA	4		