

Title of course	Financial Markets
Responsible instructor	Prof Dr Mareike Heinemann
Learning objectives	<ul style="list-style-type: none"> ▪ Learn about the types of financial markets, institutions and instruments ▪ Understand the relationship between risk and return ▪ Understand the effect of correlation on portfolio risk and the limits of diversification ▪ Examine various efficient frontiers and grasp the principles of portfolio selection ▪ Understand and critically assess the Capital Asset Pricing Model and alternative asset pricing models ▪ Consider foreign exchange risks and incorporate an international perspective on asset pricing
Course contents	<ol style="list-style-type: none"> 1. Overview of financial markets, institutions and instruments 2. Financial securities, risk and return and the efficiency of financial markets 3. Portfolio selection 4. Models of asset pricing 5. International diversification
Teaching methods	<ul style="list-style-type: none"> ▪ Lectures ▪ Seminars ▪ Exercises
Prerequisites	There are no formal requirements.
Suggested reading	<p>Preferably most recent edition:</p> <ul style="list-style-type: none"> ▪ Back, K.E.: Asset Pricing and Portfolio Choice Theory, Oxford University Press ▪ De Haan, J. et al.: Financial Markets and Institutions. A European Perspective, Cambridge University Press ▪ Elton, E.J. et al.: Modern Portfolio Theory and Investment Analysis, John Wiley & Sons ▪ Mishkin, F.S.: The Economics of Money, Banking and Financial Markets, Pearson ▪ Mishkin, F.S. & Eakins, S.G.: Financial Markets and Institutions, Pearson. ▪ Further references will be given during the classes.
Applicability	<p>This course is in particular applicable to the following Master programmes:</p> <p>International Business and Economics (M.A.; "IBE"), Finance (M.Sc.).</p> <p>This course is also applicable to other business-oriented Master programmes offered by Schmalkalden University of Applied Sciences.</p>
Workload	<p>Total workload: 180 hours, of them:</p> <ul style="list-style-type: none"> ▪ Lecture: 45 ▪ Self-study: 135, of them: <ul style="list-style-type: none"> ▪ Course preparation (in particular reading): 45 ▪ Follow-up: 45 ▪ Exam preparation: 45

ECTS credit points and weighting factor	6 ECTS credit points; weighting factor: 6/120 (IBE) or 6/90 (Finance), respectively
Basis of student evaluation	Comprehensive written examination, 90 minutes (100%)
Time	First academic year
Frequency	Each academic year
Duration	One semester
Course type	Elective course
Remarks	Teaching language is English.