



PROGRAMME IN BUSINESS AND ECONOMICS

EKN103 Financial Economics, 6 credits

Finansiell ekonomi, 6 högskolepoäng

First Cycle

Confirmation

This course syllabus was confirmed by Programme in Business and Economics (ICU) on 2019-06-13 and was last revised on 2020-11-06 to be valid from 2021-01-18, spring semester of 2021.

Field of education: Social Sciences 100%

Department: Programme in Business and Economics

Other participating department

Department of Economics

Position in the educational system

The course is included in the Bachelor's Programme in Business and Economics during semester 2. The course is not offered as a freestanding course.

The course can be part of the following programme: 1) Bachelor's Programme in Business and Economics (S1EKA)

Main field of studies

Economics

Financial Economics

Specialization

G1N, First cycle, has only upper-secondary level entry requirements

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Entry requirements

General entrance requirements for university studies and the Swedish upper secondary courses English B, Mathematics C, Civics A or English 6, Mathematics 3b/3c, Civics 1b/1a1-1a2 or equivalent.

Learning outcomes

On successful completion of the course, the student shall be able to:

1. estimate the value of equities and bonds given a target yield,
2. demonstrate basic knowledge of how a target yield can be determined,
3. give an account for the function of the financial markets and the financial institutions in the market economy with a special focus on the role that banks, and insurance companies plays as an intermediary regarding redistribution of risk,
4. give an account for knowledge of the responsibility of a financial adviser in relation to customers and employers in terms of: transparency, objectivity/conflict of interest, possible conflicts in a counselling situation.

Course content

The course intends to give basic knowledge of the financial markets and the financial institutions in a market economy. Special focus is devoted to the financial institutions' (banks, insurance companies, mutual funds, and investment banks) role as intermediaries of capital and risk and a description of markets and instruments, especially the markets for requirements and shares. The course also contains a theoretical part concerning the basics of valuation of bonds and shares and how to theoretically determine return on equity through CAPM (Capital Asset Pricing Model). Furthermore, origin of financial crises, typical incentive problems in connection with client advice (Code of Conduct) and Socially Responsible Investment are discussed.

Form of teaching

Lectures, a computer-based aid for self-study and question times. Attendance at the course introduction is compulsory.

Language of instruction: English and Swedish

Assessment

The intended learning outcomes are assessed through three individual written examinations.

Written examination 1 assess learning outcomes 1.

Written examination 2 assess learning outcomes 2.

Written examination 3 assess learning outcomes 1-4.

If a student who has failed twice on the same assessing component want change of examiner before the next examination session, such a request should be submitted in writing to the department and should be approved if there are not special reasons on the

other hand (HF 6 chapters section 22).

If a student has obtained recommendation from University of Gothenburg about special educational support, examiner can, in case it is compatible with the aim of the course and provided that not unreasonable resources are required determine to give the student an adapted examination or alternative examination format.

In the event that a course has ceased or undergone major changes, students are to be guaranteed at least three examination sessions (including the ordinary examination session) over a period of at least one year, though at most two years after the course has ceased/been changed.

Grades

The grading scale comprises: Excellent (A), Very good (B), Good (C), Satisfactory (D), Sufficient (E) and Fail (F).

For a passed final grade pass is required on the three individual written examinations. To determine the final grade, points from the written examinations are added together.

Course evaluation

Upon completion, the course will be evaluated in accordance with the rules for course evaluations established by the Bachelor's Programme in Business and Economics at the School of Business, Economics and Law. The result and any changes in the course structure should be communicated to both the students who completed the evaluation and to the students who will start the course.

Additional information

The course can not be used in qualification together with either EPN302 Basic Finance or NEG100 Economics: Introductory Level, module Principles of Financial Economics.