



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 2023-09-25 to be valid from 2024-01-15, spring semester of 2024.

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 single-subject course.

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

Main field of studies

Financial Economics

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 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 role of financial institutions (banks, insurance companies, mutual funds and investment banks) as intermediaries of capital and risk, as well as 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

Assessment

The intended learning outcomes are examined through an individual written exam.

There are two non-compulsory quizzes during the course that give the students the opportunity to prepare for the written exam. From these quizzes it is possible to earn points. Students can only participate in the non-compulsory quizzes, and earn points, during the course session.

If a student who has twice received a failing grade for the same examination component wishes to change examiner ahead of the next examination session, such a request should be made to the department in writing and should be approved by the department unless there are special reasons to the contrary (Chapter 6 Section 22 of the Higher Education Ordinance). If a student has received a recommendation from the University of Gothenburg for study support for students with disabilities, the examiner may, where it

is compatible with the learning outcomes of the course and provided that no unreasonable resources are required, decide to allow the student to sit an adjusted exam or alternative form of assessment. 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, but no more than 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).

To obtain a passing grade, students must receive a passing grade on the individual written exam. To determine the final grade, points from the non-compulsory quizzes are combined with the points received from the written exam. Any points earned from the non-compulsory quizzes are only valid during the course (initial exam and two re-exams).

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.