# Syllabus

## Course description

<table>
<thead>
<tr>
<th><strong>Course title</strong></th>
<th>Financial Markets and Institutions for PPE</th>
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<tr>
<td><strong>Course code</strong></td>
<td>27222</td>
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<tr>
<td><strong>Scientific sector</strong></td>
<td>SECS-P/11</td>
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<tr>
<td><strong>Degree</strong></td>
<td>BSc in Economics and Social Sciences</td>
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<tr>
<td><strong>Semester and academic year</strong></td>
<td>1st Semester 2023/2024</td>
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<tr>
<td><strong>Year</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Credits</strong></td>
<td>7</td>
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<tr>
<td><strong>Modular</strong></td>
<td>NO</td>
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| **Total lecturing hours** | 42 |
| **Total lab hours**       | -  |
| **Total exercise hours**  | -  |

**Attendance**: Highly recommended. Student planning to regularly attend course, must register through UNIBZ OLE (Open Learning Environment) course platform. The course OLE platform self-enrolment key that is adopted every year is FMIyyy, where yyyy refers to academic year when course is taught. Thus, for the academic year 2023/2024 will be **FMI2024**.

**Prerequisites**: BSc Year 1 core courses


**Specific educational objectives**: Financial Markets and Institutions for PPE (FMI) is an introductory course in Finance that covers general principles to give the student an appreciation of the scope of the whole discipline’s subject matter. FMI will present the conceptual building blocks and applied methods and techniques that are required in all areas of finance – financial system, markets, institutions, as well as corporate finance. Under Italian university scientific sectors grouping, the course refers to the typical educational activities that belongs to the scientific area of Business Administration. However, the scientific area of finance differentiates itself by being at the crossroad of economics, business, mathematics, statistics, econometrics, and perhaps unexpected to undergraduate students, even politics, philosophy, and other social science such as psychology. The student interested to dig into this field of study is encouraged to look to the academic profiles and innovative research records which distinguish the Nobel Laureate in economics sciences that have been awarded in the last fifty years.
Lecturer | Maurizio Murgia  
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[maurizio.murgia@unibz.it](mailto:maurizio.murgia@unibz.it)  

Scientific sector of the lecturer | SECS-P/11

Teaching language | English

Office hours | 21 hours  
Cockpit – students’ zone – individual timetable

List of topics covered | The main subject areas covered in the course are: Financial systems, Financial Markets and the structure and function of financial services industry. Principles of Valuation: real assets and investments, financial securities, derivatives contracts such as forward, futures and options. Principles of corporate finance decisions.

Teaching format | Classroom activity will alternate background lectures, applied exercises, examples based on practical short case studies, discussions and comments of current developments and events in financial market and institutions related to topics covered in class.

Learning outcomes | Knowledge and understanding:  
• To be successful, students need to master the course core concepts and learn to identify and solve problems that today’s practitioners face. To this end the course will prepare students to analyze the fundamental aspects of the economics of financial systems, financial markets and institutions and firms’ investment and financing decisions.  
• Understanding the analytical pillars of finance: intertemporal trade-offs, arbitrage, cash flows and investment valuation, portfolio and asset pricing theory, liquidity and risk management.  
• Knowledge of the institutional aspects of finance that help prepare students either for jobs in the financial services industry or for successful interactions with financial institutions.

Applying knowledge and understanding:  
• Ability to use modern finance theory, financial modeling and analysis, to valuation of financial market transactions, firms’ securities and corporate finance transactions. Understanding how financial markets and intermediaries work for supplying capital to business activities.

Making judgments:  
• Students will learn how to compare the costs and benefits of alternative investment and financing solutions and be able to propose and defend them.
Communication skills:
• Teaching and learning of this course are “active”. Which means instructor will engage students in lively discussions and require active participation.
• Students are advised to read suggested textbooks material before attending lectures.
• Regular reading of Financial Times, Wall Street Journal and The Economist, is very useful and encouraged to ensure that the appropriate connections are made between material covered in class and the current business and economic developments.

Learning skills:
• FMI is intended to provide PPE students with a sufficient background to understand the fundamentals of finance. That would help in getting a job in the financial industry or in progressing towards postgraduate or advanced master courses in finance the students will plan to attend after graduation.

Assessment

For attending students: In-Class Midterm (50%) and Final Exam (50%) to be counted in awarding final grade. To be admitted as attending student, no more than two missed sessions are allowed, backed by a valid motivation. If a student misses more than two sessions, she/he will not be allowed to take “attending student” assessment in-class tests, but she/he will be directed to take “not attending student” final exams (see below). Notice that student attendance will be enforced.

For not attending students: Final Exam assessment will count as 100% of final grade.

Assessment language

English

Evaluation criteria and criteria for awarding marks

Attending students in-class Midterm and Final exams are open books and notes written tests. These tests are typically performed using either student personal laptop/tablet or by UNIBZ Library provided laptop. Student taking in-class tests will be using Microsoft Word/Excel software as well as software to perform quantitative analysis through excel template provided by Instructor.

Student that do not possess sufficient familiarity with Excel software are encouraged to further develop their knowledge of Excel financial formulas and applications (see below Supplementary readings).

Marking of in-class Midterm and Final exam tests will be looking to correctness of both methodological approach and quantitative problem results. For test essay-type questions written english C-level is required, and it will be essential to earn the passing grade.

Not attending students Final exams are closed books and notes written tests. These tests are typically
performed using UNIBZ Library provided laptop that allow to use Microsoft Word/Excel software, but do not allow to use Outlook software and accessing internet with any browser. Not attending Student taking final exams may also be required to use software to perform quantitative analysis by relying on excel templates provided by Instructor. Student that do not possess sufficient familiarity with Excel software are encouraged to further develop their knowledge of Excel financial formulas and applications (see below Supplementary readings). Marking of Final exam tests will be looking to correctness of both methodological approach and quantitative problem results. For test essay-type questions written in English C-level is required, and it will be essential to earn the passing grade.


Most of textbook required chapters cover same material, although with a different approach, with 1 focused of firms’ perspectives and 2 more on financial markets perspective. Instructor will provide further study guidelines at lecture time. |
| Supplementary readings                                                                 | Teaching slides uploaded into course UNIBZ OLE platform. Students may also find useful to consult the supplemental textbook S. Benninga-T. Mofkadi, Financial Modeling, 5th edition, MIT Press 2022, to learn how to use excel financial formulas and programming for quantitative analysis of FMI class exercises and in-class tests and final exams. The book is available online at UNIBZ Library. |