

Capital Markets

Basic Information

Title: Capital Markets

Code: FIN305

Credit Hours: 3 C.H.

Prerequisite(s): FIN201

Classification: Major Compulsory Course

Course Description

This course covers a broad range of materials ranging from the design and operation of modern financial markets through mandatory disclosure systems and complex securities fraud litigation. The course is accessible to students who have little prior exposure to financial markets, yet also challenging to students with substantial experience in the field.

Learning Objectives

- Gaining an understanding of capital markets and processes.
- Exploring the legal definition of the term "security" and highlights definitional challenges in a world.
- Discovering the Egyptian mandatory disclosure system.
- Exploring class action securities fraud litigation as well as administrative.

Learning Outcomes

The student will be able to:

- List the four core financial markets and the three classes of derivatives.
- Describe how bonds, equity, foreign exchange and money market products are traded.
- Calculate key equity ratios such as P/E ratios, leverage and return on equity for any company.
- Choose the best derivative to hedge against risk in real-life financial situations.
- Calculate the profit or loss on futures trades.
- Construct a swap and calculate the benefit of the swap to each counterpart.

Course Outline

Module/Topic
<p><u>Module 01: Overview of Financial Markets</u></p> <p>Introduction Objectives Lesson 01: Introduction of Financial Markets Lesson 02: Types of Financial Markets Lesson 03: The Capital Markets: Bonds and Equities Summary Assessment</p>
<p><u>Module 02: Role of Financial Institutions in Financial Markets</u></p> <p>Introduction Objectives Lesson 01: Overview of Financial Institutions Lesson 02: Characteristics of Financial Institutions Lesson 03: Role of Depository Institutions Lesson 04: Role of Non-Depository Institutions Lesson 05: Competition between Financial Institutions Summary Assessment</p>
<p><u>Module 03: Money Markets</u></p> <p>Introduction Objectives Lesson 01: Discount Market vs. Parallel Markets Lesson 02: Money Market Instruments Lesson 03: Institutional Use of Money Markets Lesson 04: Valuation and Risk of Money Market Securities Summary Assessment</p>
<p><u>Module 04: Bond Markets</u></p> <p>Introduction Objectives Lesson 01: Background on Bond Lesson 02: Federal Agency and Treasury Bonds Lesson 03: Municipal Bonds Lesson 04: Corporate Bonds Lesson 05: Corporate Bond Yields and Risk Lesson 06: Bond Valuation Process Summary Assessment</p>

Module/Topic
<p><u>Module 05: Equity Markets</u> Introduction Objectives Lesson 01: Types of Equity Securities Lesson 02: Stock Offerings Lesson 03: Stock Offerings and Investor Monitoring Lesson 04: Stock Exchanges and Equity Trading Lesson 05: Stock Index Quotations and Stock Market Efficiency Lesson 06: Stock Valuation Lesson 07: Stock Risk Summary Assessment</p>
<p><u>Module 06: Derivatives</u> Introduction Objectives Lesson 01: Derivative Security: Forwards Markets Lesson 02: Futures Markets Lesson 03: Futures Valuation and Risk Summary Assessment</p>
<p><u>Module 07: Options Markets</u> Introduction Objectives Lesson 01: Characteristics and Types of Options Lesson 02: Markets and Institutional Used to Options and How Trades Lesson 03: Options Quotations Lesson 04: Speculating with Stock Options Lesson 05: Hedging with Stock Options Lesson 06: Determinants of Stock Option Premiums Summary Assessment</p>
<p><u>Module 08: Swaps Markets</u> Introduction Objectives Lesson 01: Characteristics of Swaps Lesson 02: Use of Swaps for Hedging and Speculating Lesson 03: Types of Interest Rate Swaps Lesson 04: Risks and Pricing of Interest Rate Swaps Summary Assessment</p>

*Delivery mode of each module/topic will be determined by instructor and could differ from one semester to the other.