



# AI1134 Capital Markets and Financial Instruments 7.5 credits

Kapitalmarknader och finansiella instrument

This is a translation of the Swedish, legally binding, course syllabus.

If the course is discontinued, students may request to be examined during the following two academic years

## Establishment

Course syllabus for AI1134 valid from Spring 2014

## Grading scale

A, B, C, D, E, FX, F

## Education cycle

First cycle

## Main field of study

Technology

## Specific prerequisites

Economics (AI1107) or Economics of the Built Environment (AI1128) or equivalent, Fundamentals of Residential Real Estate Finance (AI1144) or equivalent.

## Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

## Intended learning outcomes

This course consists of two major blocks:

- (1) Money and Banking.
- (2) Financial Instruments.

### (1) Money and Banking

The student shall be able to:

- Describe and analyze banks balance sheets from different perspectives.
- Describe and analyze different mechanisms that can explain demand and supply of money.
- Describe and analyze central banks' roles and tools, as well as different perspectives on monetary policy.

### (2) Financial instruments

The student shall be able to:

- Explain and describe common financial instruments such as stocks, ETFs, options, futures.
- Describe different type of large financial markets, such as different primary and secondary markets, foreign exchange markets, derivatives markets.
- Apply different methods to value financial instruments.
- Discuss how different factors can affect the value of financial instruments.
- Discuss the concept of financial market efficiency.

## Course contents

Efficient financial markets, central banks, monetary goals and tools, stocks and stock markets, foreign exchange markets, international financial markets, funds, futures, options.

## Course literature

Mishkin, F.S. & Eakins, S. G. (2009), Financial Markets and Institutions (latest edition). Pearson/Prentice hall.

The book is also used in the course Fundamentals of Residential Real Estate Finance AI1144.

FactsDocument (available for free download):

\*Finansmarknaden i Sverige 20XX Riksbanken.pdf (updated annually, latest version).

Articles published in academic journals (available for free download from KTH library).

Lecture Notes and Practice documents (free download from BILDA).

## Examination

- TENA - Examination, 7.5 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

## **Ethical approach**

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.