AI1134 Capital Markets and Financial Instruments 7.5 credits

Kapitalmarknader och finansiella instrument

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

Establishment

The course syllabus is valid from Spring 2025 according to decision of the Director of First and Second Cycle Education: 2024-1943 3.2.2Decision date: 2024-09-25

Grading scale

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

Education cycle

First cycle

Main field of study

Technology

Specific prerequisites

Knowledge in mathematics corresponding to the content in course AI1144 Fundamentals of Residential Real Estate Finance 7,5 credits.

Language of instruction

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

Intended learning outcomes

Upon completion of the course, course participant should be able to

- Apply common stock and option valuation methods.
- Describe and analyze different investment strategies with stocks and financial derivatives.
- Explain the meaning of the efficient market hypothesis, and give examples of arguments and evidence for and against this hypothesis.
- Analyze how exchange rates are determined.
- Analyze possible effects of monetary policy interventions.

Course contents

Stock valuation, option valuation, strategies with options and futures, the efficient market hypothesis, the foreign exchange market, central banks, monetary policy goals and tools, transmission mechanisms of monetary policy.

Examination

- PRO1 - Project, 2.0 credits, grading scale: P, F
- TENB - Written exam, 5.5 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.

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

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.