

**SUBJECT SYLLABUS
ACADEMIC OVERVIEW
INTERNATIONAL SCHOOL OF ECONOMIC & ADMINISTRATIVE SCIENCES**

COURSE NAME AND CODE: International Financial Markets (552704)

PROGRAM:

Bachelor of Business Administration (BBA)

LEVEL OF STUDY: Undergraduate Programme

GENERAL ACADEMIC INFORMATION					
LATEST UPDATE	2020-2				
ACADEMIC DEPARTMENT	Finance				
SUBJECT TYPE	Mandatory				
LANGUAGE	English				
SEMESTER	Programme	Semester			
	BBA	7			
NUMBER OF ACADEMIC CREDITS	3				
HOURS OF ACADEMIC WORK	144	CONTACT HOURS	64	HOURS OF INDEPENDENT/AUTONOMOUS WORK	80
LEARNING PREREQUISITES	<ul style="list-style-type: none"> Understand the value of money over time, its implications on the interest rate and its conversion. Using Excel data analysis tools. 				

INTERNATIONAL COMPONENT	<ul style="list-style-type: none"> National and international standards, policies, regulations and mores related to the professional field. Vocabulary and technical language to communicate in different cultural contexts. 					
SUSTAINABLE DEVELOPMENT GOALS (SDG)	4. Quality Education					
COURSE DETAILS						
COURSE DESCRIPTION	This course seeks to provide basic knowledge about the operation of the international capital market. The course will allow students to understand modern portfolio theory and the different methodologies on investment portfolio management, in addition to analysing different financial instruments and their function within the system. Likewise, the student will be able to analyse the performance of international investment funds or portfolios. This subject is taught within the career of Business Administration.					
KEY WORDS:	Financial markets, international capital, investments portfolio					
COMPETENCES DEVELOPED	EICEA ILOS or Programme ILOS	Course ILOS	Type	Content	Teaching and Learning strategy	Assessment Method
	ILO02	Create investment portfolios, using the techniques of minimum variance, maximization of expected returns and performance indicators	Skill	Performance evaluation of investment portfolios <ul style="list-style-type: none"> ✓ Sharpe ratio ✓ Treynor ratio ✓ Jensen's alpha ✓ Other tests on alpha: Fama and French's three-factor model 	Problems Based Learning	<i>Method:</i> Supervised Practice and Demonstration <i>Technique:</i> Interview and triangulation <i>Instrument:</i> Check List, Value scales, rubrics.
	ILO06	Describe modern portfolio theory and the concepts of	Knowledge	Modern portfolio theory: <ul style="list-style-type: none"> ✓ Markowitz ✓ Risk and return ✓ Profit and risk aversion 	Theoretical Class	<i>Method:</i> exam, written exam, concept maps. <i>Technique:</i> Documentary and

		expected return and risk.		<ul style="list-style-type: none"> ✓ Portfolio construction: capital allocation between risky and risk-free assets ✓ Optimal risk portfolios ✓ Single index model ✓ Equilibrium in the capital market: Capital asset pricing model (CAPM) ✓ Multifactorial models: APT 		<p>productions analysis, content analysis, and wrappers exam.</p> <p><i>Instrument:</i> Check List, Value scales, rubrics.</p>
	ILO06	Explain the impact of equilibrium models on the construction of investment portfolios	Knowledge	<p>Efficient markets hypothesis</p> <ul style="list-style-type: none"> ✓ Forms of market efficiency ✓ Market efficiency tests ✓ Passive and active portfolio management 	Problems Based Learning	<p><i>Method:</i> case study, projects, written exam.</p> <p><i>Technique:</i> Observation and triangulation</p> <p><i>Instrument:</i> Check List, Value scales, rubrics.</p>
<p>ILO02: Critical Thinking: Evaluate information using critical and analytical reasoning to address changing economic and business situations.</p> <p>ILO06: Apply theoretical and technical skills in the fields of economics and finance.</p>						
BIBLIOGRAPHY	<ul style="list-style-type: none"> • Bodie, Z., Kane, A., & Marcus, A. J. (2014). Investments (10th ed.). New York: McGraw-Hill Education. • Benninga, S., & Czaczkes, B. (2014). Financial modeling. MIT press. Fourth Edition. • Elton, E. J., Gruber, M. J., Brown, S. J., & Goetzmann, W. N. (2014). Modern portfolio theory and investment analysis (9th ed.). Hoboken, NJ: Wiley Custom. • Fama, Eugene. "Efficient Capital Markets: A Review of Theory and Empirical Work," Journal of Finance, XXVI, No.5 (Dec.1991), pp. 1575–1617. • Fama, E. F., & French, K. R. (1993). Common risk factors in the returns on stocks and bonds. Journal of Financial Economics, 33(1), 3-56. 					