**Course Descriptor**

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| Title of the course | **Theory of Finance** |
| Title of the Academic Programme  | Master’s programme, “Finance” |
| Type of the course  | Mandatory |
| Prerequisites |  |
| ECTS workload | 4 |
| Total indicative study hours | Directed Study | Self-directed study  | Total |
| 48 | 142 | 190 |
| Course Overview | The basic objective of this foundation course in finance is to summarize the fundamental theoretical aspects of finance relevant to the future study of finance and application within the scope of your master’s degreeEssentially the course is an introduction to the theory and practice theory of modern financial economics and financial management, with a focus on capital markets and investments, and quantitative finance. It will introduce you to, or help you revise, the basic fundamentals – the most important concepts and analytical tools used in financial decision making, the important role of financial markets in finance, the basic principles of valuation, investing capital in investment opportunities to create value, the meaning and management of risk, and how organizations should raise and invest capital. |
| Intended Learning Outcomes (ILO) | To know: Patterns of functioning and development trends of the national and global financial system: fiscal, budgetary system, public finance, financial market; Main results of the latest research in the field of finance theory; Differences between the major segments of the financial markets; Efficient market hypothesis; Types of financial intermediaries and their functions; Principles that determine the efficiency of financial operations.To be able to: Identify key issues of information efficiency of financial markets; Highlight the features of the functioning of financial markets in economies in transition are not clearly fixed the rights of private property; Understand the essence of the changes taking place in the financial markets; Assess the factors affecting the stability of emerging economies;Evaluate the causes of financial crises in developing countries. To acquire skills in: Possession of the procedure and methodology of scientific research in the professional field; Skills of independent research work; Analysis of the specific situation on the financial markets, budgetary, fiscal system, public finance. |
| Teaching and Learning Methods | The course consists of lectures (24 hours) and seminars (24hours). The seminars involve student presentations (individually or in small groups) of contemporary research on financial system, Theory of Change in finance, corporate and public finance, financial management published in leading economics and finance journals. For each topic, a list of suggested articles is provided by the instructor.  |
| Readings / Indicative Learning Resources | Mandatory Joseph E. Stiglitz (2000). Economics of the Public Sector, 3rd ed. Norton.A.B. Atkinson and J. E. Stiglitz (1980). Lectures in Public Economics, McGraw-Hill Economics Handbook SeriesFinancial Economics (2nd Edition) /Zvi Bodie, Robert C Merton, David Cleeton - Pearson Learning Solutions; 2 edition, 2012. - 512 с. OptionalThe Economics of Money, Banking and Financial Markets / Frederic S. Mishkin – Pearson Ed-ucation; Global ed of 10th revised ed edition. 2012. – 520 с. Richard J. Teweles, Edward S. Bradley. / The Stock Market. - Wiley Investment- 7 ed. 1999. 512 p Sharpe W., Alexander G., Bailey J. / Investments.- Prentice Hall, 1998. — 962 p. F. Fabozzi, F. Modigliani, M. Ferry “Foundations of Financial Markets and Institutions” Prentice Hall 1998  D. Blake “Financial Market Analysis” Wiley 2003  A. Shleifer “Inefficient Markets. An Introduction to Behavioral Finance” Oxford University Press 2000 |
| Course Instructor | Vasilisa Makarova |