

NAME OF THE COURSE		FINANCIAL INSTITUTIONS AND MARKETS				
Code	EUA201	Year of study	3 rd			
Course teacher	Marijana Ćurak, Full Professor and Ana Kundid Novokmet, Associate Professor	Credits (ECTS)	5			
Associate teachers	Dujam Kovač, M.Econ	Type of instruction (number of hours)	L	S	E	F
			26		26	
Status of the course	Compulsory	Percentage of application of e-learning	20%			
COURSE DESCRIPTION						
Course objectives	Provide knowledge that will enable the analysis of structural and functional aspects of credit institutions, institutional investors and other financial institutions, money markets, capital markets, financial derivative markets and foreign exchange markets, as well as identify the reasons and effects of financial system regulation.					
Course enrolment requirements and entry competences required for the course	Requirements for the course enrolment are regulated by the Statute of the Faculty of Economics, Business and Tourism and by the Rulebook of study programs and studying system.					
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<p>Course learning outcome:</p> <p>Critically analyse the structural and functional aspects of financial institutions and financial markets and the functioning of financial institutions and markets in the Republic of Croatia and identify the reasons and effects for/of financial regulation.</p> <p>Particular learning outcomes:</p> <ol style="list-style-type: none"> Analyse sources and uses of financial resources, their determinants and the effects of financial institutions and markets on the cost of funds transfer. Examine the importance and functions of central banks and credit institutions. Analyse the role of institutional investors. Differentiate instruments and trading mechanisms in financial markets. Analyse the functioning of financial institutions and markets in the Republic of Croatia. 					
Course content broken down in detail by weekly class schedule (syllabus)	Lectures		Exercises			
	Topics	Hours	Topics	Hours		
	The role of financial institutions and markets. Market imperfections: transaction costs, adverse selection, and moral hazard.	2	The role of financial institutions and markets. Market imperfections: transaction costs, adverse selection, and moral hazard	2		
	Financing: direct and indirect funding. Financial operations.	1	Financing: Direct and indirect funding. Financial operations.	1		
	Determinants of interest rates.	1	Determinants of interest rates.	1		
Structure of interest rates.	4	Structure of interest rates.	4			

	Central bank and monetary policy.	2	Central bank and monetary policy. Seminar paper presentation.	2
	Credit institutions: types and functions.	2	Credit institutions: types and functions. Seminar paper presentation.	2
	Insurance companies: risks and fundamentals of insurance, life and non-life insurance.	2	Insurance companies: risks and fundamentals of insurance, life and non-life insurance. Seminar paper presentation.	2
	Pension funds: the role and types of pension plans. Investment funds: goals, open-end and closed-end investment scheme, investment company.	2	Pension funds: the role and types of pension plans. Investment funds: goals, open-end and closed-end investment scheme, investment company. Visiting lecture. Seminar paper presentation.	2
	Money market: functions, participants, instruments. Value of instruments and return on investment in money market instruments. Foreign exchange markets.	2	Money market: functions, participants, instruments. Value of instruments and return on investment in money market instruments. Seminar paper presentation.	2
	Capital market: the importance and main functions. Primary and secondary capital markets. Bond Markets. Bond valuation. concept of duration.	2	Capital market: the importance and main functions. Primary and secondary capital markets. Bond Markets. Bond valuation. concept of duration. Seminar paper presentation.	2
	Stock Markets. Stock valuation models.	2	Stock Markets. Stock valuation models. Seminar paper presentation.	2

	Financial derivatives: forward and futures contracts, options, and swap contracts. Credit derivatives.	2	Financial derivatives: forward and futures contracts, options, and swap contracts. Credit derivatives. Seminar paper presentation.	2
	Stability, regulation, and supervision of financial institutions and markets.	2	Stability, regulation, and supervision of financial institutions and markets. Seminar paper presentation.	2
Format of instruction	<input checked="" type="checkbox"/> <u>lectures</u> <input checked="" type="checkbox"/> <u>seminars</u> and workshops <input checked="" type="checkbox"/> <u>exercises</u> <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work		<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input checked="" type="checkbox"/> <u>case study</u> <input checked="" type="checkbox"/> visiting lecture <input type="checkbox"/> (other)	
Student responsibilities	The requirement to get the right to take the final exam: regular attendance (for full-time students: minimum 60% of lectures and 60% of exercises; for part-time students: half of the conditions defined for full-time students).			
Screening student work (name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)	Class attendance	1	Research	Practical training
	Experimental work		Report	Self-assessment test
	Essay		Seminar paper	0.5* (Other)
	Mid-term exams	4** (3.5*/**)	Oral exam	(Other)
	Written exam	4** (3.5*/**)	Project	(Other)
Grading and evaluating student work in class and at the final exam	<p>Two written mid-term exams will be organized during the semester. The first written midterm exam can be taken by all students enrolled in the course. A student must achieve a minimum of 55 points in the first mid-term exam as a prerequisite for taking the second mid-term exam. The overall grade is determined by the average number of points achieved at both mid-term exams. Those students, who do not take or do not pass the mid-term exams, take the final exam.</p> <p>Written exams consist of 10 questions. Each correct answer is evaluated with 10 points. Score thresholds and corresponding grades for written exams: 0-54 points = insufficient (1); 55-69 points = sufficient (2); 70-79 points = good (3); 80-89 points = very good (4) and 90-100 points = excellent (5).</p> <p>A student can achieve up to 5 additional points based on class contributions. Student's seminar paper is evaluated up to 10 points.</p> <p>*Student has the opportunity to write and present seminar essay. **A student who has achieved a minimum of 55 points in each mid-term exam has completed the module and, thus, is not required to take the final written exam.</p>			
Required literature (available in the	Title		Number of copies in the library	Availability via other media

library and via other media)	Ćurak, M., Kovač, D. (2022.-2023.): <i>Financial Institutions and Markets</i> , the course materials on Moodle platform.		x
	Mishkin F. S., Eakins, S. G. (2018.): <i>Financial Markets and Institutions</i> , Pearson.	1	
Optional literature (at the time of submission of study programme proposal)	<p>Casu, C., Girardone, C., Molyneux, P. (2015.): <i>Introduction to Banking</i>, Pearson.</p> <p>Čihák, M., Demirgüç-Kunt, A., Feyen, E. and Levine, R. (2012.): <i>Benchmarking Financial Systems Around the World</i>, Policy Research Working Paper 6175, World Bank.</p> <p>De Haan J., Oosterloo, S., Schoenmaker, D. (2012.): <i>Financial Markets and Institutions – A European Perspective</i>, Cambridge University Press Times.</p> <p>Madura, F. (2017.): <i>Financial Institutions and Markets</i>, Cengage Learning.</p> <p>Merton, R. C., Bodie, Z. A. (1995.): <i>Conceptual Framework for Analyzing the Financial Environment</i>, in <i>The Global Financial System - A Functional Perspective</i>, (ed. Crane, D. B. et. al.), Harvard Business School Press.</p> <p>Other sources:</p> <p>Central Bureau of Statistics, https://www.dzs.hr/</p> <p>Croatian Bank for Reconstruction and Development, https://www.hbor.hr/</p> <p>Croatian Banking Association, http://hub.hr/</p> <p>Croatian National Bank, http://www.hnb.hr/</p> <p>Croatian Financial Services Supervisory Agency, http://www.hnb.hr/</p> <p>European Central Bank, https://www.ecb.europa.eu/home/html/index.en.html</p> <p>The European Insurance and Occupational Pensions Authority (EIOPA), https://eiopa.europa.eu/</p> <p>European Securities and Markets Authority (ESMA) https://www.esma.europa.eu/supervision/supervision</p> <p>Official Gazette, https://www.nn.hr/</p> <p>World Bank, Financial Structure Database, http://www.worldbank.org/en/publication/qfdr/data/financial-structure-database</p> <p>Zagreb stock exchange, http://zse.hr/</p>		
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> • Monitoring the class attendance and execution of other student's obligations (Teacher) • Teaching Supervision (The Vice-Dean for academic and student affairs) • Analysis of the studying performance for all courses of the study program (The Vice-Dean for academic and student affairs) 		

	<ul style="list-style-type: none"> • Student survey on the quality of teachers and teaching for each course of the study program (UNIST, Centre for Quality Improvement) • All learning outcomes of the course are examined by the examination conducted by the course teacher. Periodic examination of the content of the exam is conducted in order to verify the appropriateness of the method of validating the learning outcomes (The Vice-Dean for academic and student affairs).
Other (as the proposer wishes to add)	