

Course title: Financial Markets and Institutions		
Lecturer: Goran Andelić		
Course status: Elective, Fourth Semester		
ECTS: 12		
Requirements:		
Course aims		
The main aim of this course is the analysis of relevant phenomena and processes that are inherent to financial markets, and of the process of investing and structuring financial markets and portfolios. Looking into the shaping processes that initiate the changes on the financial market as an efficient mechanism of allocating financial resources is the main goal of this course.		
Course outcomes		
Enabling the students to understand, recognize, follow, and analyze the most significant phenomena of functioning of the modern financial markets. The main outcome is to train the students for independent and creative forming of optimized investment portfolios and hence, successful management of portfolio structures.		
Course contents		
<i>Theory classes</i>		
The value and role of the financial markets. Institution and instruments of financial markets. Modern trends in the financial markets. Segmentation of financial markets. Interest rates and financial risks. Primary and secondary financial market. Institutional investors on the financial market – investment funds, pension funds and insurance companies on the market of capital. The owner’s securities on the financial market – stocks. Instruments of debt (bonds). Analysis of the value of bonds, analysis of the investor’s yield from the bonds, the rating of bonds. Portfolio theory and diversification of risk, the model of pricing of financial assets SARM and the model of arbitral valuation. Modern portfolio structures and risk management. Capital evaluation and performance of the portfolio evaluation. Financial markets and investments – interdependence between the development of financial markets and the efficiency of investments.		
<i>Practical classes</i>		
Writing of an accession paper, a projects, and software simulations.		
Recommended Literature:		
<ol style="list-style-type: none"> 1. Mishkin Frederic and Stanleyg. Eakins, <i>Financial Markets and Institutions</i>, Addison Wesley, 2000. 2. Fabozzi, F.J., Modigliani, F. and M.G Feri, <i>Foundations of Financial Markets and Institutions</i>, Prentice Hall. 3. Dejan Erić: <i>Finansijska tržišta i instrumenti</i>, Čigoja štampa, Beograd 2003. 4. Milutin Ćirović, <i>Finansijska tržišta-instrumenti, institucije, tehnologije</i>, Naučno društvo Srbije, Beograd, 2007. 5. Šoškić Dejan, <i>Hartije od vrednosti- upravljanje portfoliom i investicioni fondovi</i>, Ekonomski fakultet Beograd, 2003. 		
Workload per week:	Lectures: 3	Study research: 7
Teaching methods: Lectures, consultations, independent and group work, case studies, discussion groups, project writing.		
Knowledge assessment: Project outline – 20, Project writing – 50, Written and oral presentation of the project – 30 points.		