

**COURSE DATA****Data Subject**

Code	35948
Name	Equity markets and stocks
Cycle	Grade
ECTS Credits	6.0
Academic year	2020 - 2021

Study (s)

Degree	Center	Acad. year	Period
1315 - Degree in Finance and Accounting	Faculty of Economics	3	Second term

Subject-matter

Degree	Subject-matter	Character
1315 - Degree in Finance and Accounting	16 - Financial markets and assets	Obligatory

Coordination

Name	Department
PIÑOL ESPASA, JOSE AGUSTIN	172 - Business Finance
RODRIGO GONZALEZ, AMALIA	172 - Business Finance

SUMMARY

Equity Markets and Stocks is taught in the third course, second term, of the Degree in Finance and Accounting of the University of Valencia. It is part of the subject Financial Markets and Assets, and includes knowledge necessary to carry out an analysis of financial markets for variable income assets.

PREVIOUS KNOWLEDGE**Relationship to other subjects of the same degree**

There are no specified enrollment restrictions with other subjects of the curriculum.



Other requirements

In order to be able to follow the class explanations and understand the concepts of the subject, it is necessary that the student has a minimum knowledge of Analysis and valuation of business investment, Corporate finance and Financial accounting.

OUTCOMES

1315 - Degree in Finance and Accounting

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- Capacidad para analizar y valorar las inversiones productivas de la empresa.
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- Capacidad para analizar las operaciones de activo y de pasivo de las entidades de crédito así como las derivadas de la instrumentación de la política monetaria, las interbancarias y las fuera de balance.
- Conocer los mercados de renta fija y de renta variable, así como los diferentes títulos y contratos que se negocian en los mismos.
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LEARNING OUTCOMES

Those proper to the subject *Markets and financial assets*:

- Ability to perform analyses of the different financial markets and their usefulness.
- Possibility of analysing the different methods of valuation of shares and the use of a spreadsheet to determine the profitability and risk of assets and portfolios of securities.
- Ability to design the optimal dividend and debt policies according to the circumstances of the company.
- Ability to manage portfolios using key tools in the valuation of assets and in the formation of prices in financial markets.
- Ability to make a simulated game with a spreadsheet for the sale of shares.
- To reason and obtain valid conclusions based on the results obtained.



DESCRIPTION OF CONTENTS

1. LESSON 1. THE STOCK MARKET

1. Stock Market in Spain: structure and operation.
2. Stock operations. Trading rules at SIBE.
3. Opening and closing auctions. Volatility auctions.
4. Other products and operations: ETF, warrants, MAB, short sales, security loans.
5. Spreadsheets.

2. LESSON 2. PRICE ORIGIN: TECHNICAL ANALYSIS

1. Introduction: Dow theory.
2. Types of graphics: computer applications.
3. Principles of the trends.
4. Formations of trend change and continuity.
5. Technical oscillators.

3. LESSON 3. PRICE ORIGIN: FUNDAMENTAL ANALYSIS

1. Fundamental analysis: macroeconomic vision (Top-Down Analysis).
2. Fundamental analysis: valuation of actions (Bottom-Up Analysis).
3. Financial and stock market ratios.
4. The Balance: valuation of assets and liabilities.
5. The Results account.

4. LESSON 4. DEBT AND DIVIDEND POLICIES: EFFECT ON ACTIONS

1. Company debt policy: perfect model.
2. Company debt policy: imperfect model.
3. Company dividend policy: perfect model.
4. Company dividend policy: imperfect model.
5. Spreadsheets.

5. LESSON 5. DESIGN OF VARIABLE INCOME PORTFOLIO: PROFITABILITY AND RISK

1. Return and risk of a title and a portfolio.
2. Title selection models: Markowitz and Tobin.
3. Financial asset valuation model: CAPM.
4. Application of CAPM to the valuation of real assets.
5. Spreadsheets.

**6. LESSON 6. OPTIONS ON VARIABLE INCOME FINANCIAL ASSETS**

1. Derivatives Market in Spain: structure and operation.
2. Influential factors in the price of a financial option. Sensitivity analysis (Greek letters).
3. Coverage, speculation and arbitrage strategies with financial options.
4. Valuation of financial options: Black-Scholes and Binomial models.
5. Spreadsheets.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Computer classroom practice	30,00	100
Development of group work	15,00	0
Preparing lectures	30,00	0
Preparation of practical classes and problem	15,00	0
Resolution of case studies	30,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

Theoretical sessions: exposition of subject's items.

Practical sessions: resolution of exercises and analysis of financial markets.

Working papers: Aula virtual, <https://aulavirtual.uv.es> (where possible).

EVALUATION

Continuous evaluation: it must be understood as referring to a natural process of successive acquisition of skills and knowledge that converges and condenses in a final exam. It can be implemented through thematic questionnaires and course work. Weight: 40%.

Final exam: it will consist of a set of test-type questions and / or several open questions, combining theory and practice. Weight: 60%.

To pass the course, you must pass the final exam.



REFERENCES

Basic

- Berk, J.; DeMarzo, P. (2008). Finanzas corporativas. Pearson.
- Blanco, F.; Ferrando, M.; Martínez, F. (2015). Teoría de la Inversión. Pirámide.
- Brealey, R.; Myers, S.; Allen, F. (2013): Principios de finanzas corporativas. McGraw Hill.
- Casanovas, M. (2003): Opciones Financieras. Pirámide. Madrid.
- Castellanos, E. (2011): Opciones y futuros de renta variable. Instituto Bolsas y Mercados Españoles.
- Codina Castro, J. (2008): Curso práctico de análisis técnico y chartismo. Inversión.
- Edwards Robert, D., Magee, J. (1995): Análisis técnico de las tendencias de valores. Gesmovasa. Madrid.
- Ferrando, M.; Gómez, A.R.; Lassala, C.; Piñol, J.A.; Reig, A. (2005): Teoría de la Financiación I: modelos CAPM, APT y aplicaciones. Pirámide.
- Gómez, A.R.; Piñol, J.A.; Reig, A.; Rodrigo, A. (2006): Teoría de la financiación II: OPT, estructura de capital y dividendos. Pirámide.
- Hull, J.C. (2011): Introducción a los mercados de futuros y opciones. Pearson, Prentice-Hall.
- Hull, J.C. (2012): Options, futures and other derivatives. Pearson, Prentice-Hall.
- Lassala, C.; Medal, A.; Navarro, V.; Sanchis, V.; Soler, A. (2006): Dirección financiera II: medios de financiación empresarial. Pirámide.
- López Pascual, J., Rojo Suárez, J. (2004): Los mercados de valores: organización y funcionamiento. Pirámide.
- Martín, J. L. Trujillo, A. (2004): Manual de mercados financieros. Thomson.
- Sánchez Fernández de Valderrama (2007): Curso de Bolsa y Mercados Financieros. Ariel.

ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

This addendum would be applied in whole or in part, only if necessary, as established by the university authorities based on the evolution of the pandemic.

1. Contents. Where appropriate, the contents initially programmed in the teaching guide would be maintained, adapting the topics that could not be explained in person to the non-face-to-face teaching methodology.
2. Volume of work and time planning. The topics that, where appropriate, could not be explained through face-to-face classes would be instrumented through non-face-to-face teaching, maintaining the volume of work established in the teaching guide proportionally. The schedule would be adapted to changing circumstances.



3. Teaching methodology. The modality of classes for students will depend on the social and health conditions and the restrictions established by the competent authorities. In the case of **online teaching**, classes will be given by videoconference, preferably synchronous, using Blackboard Collaborate, Teams, Skype or the tool that the lecturer considers appropriate to optimize the student's teaching-learning process during the scheduled program sessions, **which remain the same days and times**. In the case of **blended teaching**, the students will have to access the classroom in alternate weeks according to the initial of their last name (A-M or L-Z). The classes will be broadcast so that the students will have face-to-face teaching one week, and the next week they will follow the classes in streaming.

4. Evaluation. Where appropriate, the continuous assessment would be adapted proportionally to the situation of non-attendance, being able to acquire greater weight in the global assessment and be implemented through tests in the Virtual Classroom. In your case, the final exam could be carried out using the Virtual Classroom questionnaire and its weight would be adapted to that required by the continuous assessment.

5. Bibliography. Where appropriate, the bibliography would be complemented with sources of consultation on the Internet, giving priority to free material.