COURSE DATA

Data Subject	
Code	35948
Name	Equity markets and stocks
Cycle	Grade
ECTS Credits	6.0
Academic year	2021 - 2022

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 part of the set of 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 policy 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. UNIT 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, Growth, short sales, security loans.
5. Software applications.

2. UNIT 2. PRICE FORMATION IN STOCK MARKETS: TECHNICAL ANALYSIS

1. Introduction.
2. Graphical patterns.
3. Elliots waves.
4. Quantitative analysis.
5. Software applications.

3. UNIT 3. PRICE FORMATION IN STOCK MARKETS: FUNDAMENTAL ANALYSIS

1. Macroeconomic perspective.
2. Balance sheet, Income statement, and Cash flow statement of a company.
3. Stock valuation.
4. Financial ratios and stock market ratios. Valuation using comparable multiples.
5. Software applications.

4. UNIT 4. DEBT AND DIVIDENDS POLICIES: EFFECTS ON STOCKS

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. Software applications.

5. UNIT 5. DESIGN OF STOCK PORTFOLIOS: RETURN AND RISK

1. Return and risk of single assets and portfolios.
2. Asset selection models: Markowitz and Tobin models.
3. Asset valuation models: CAPM, and Performance measures.
4. CAPM application to real asset valuation.
5. Software applications.

6. UNIT 6. FINANCIAL OPTIONS ON STOCKS

1. Derivatives markets in Spain: structure and operation.
2. Factors determining the price of a financial option. Sensitivity analysis (Greek letters).
3. Coverage, speculation and arbitrage strategies with financial options.
4. Financial option valuation: Black-Scholes and Binomial models.
5. Software applications.

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 that converges and condenses in a final exam. It can be implemented through questionnaires and/or 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

ADDENDUM COVID-19

This addendum would be applied 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 classroom teaching to the non-classroom teaching methodology.

2. Volume of work and planning. The subjects that, where appropriate, could not be explained through face-to-face classes would be implemented through non-face-to-face teaching, proportionally maintaining the volume of work established in the teaching guide. The schedule would be adapted to the evolution of the events.

3. Teaching methodology. Where appropriate, the methodology that best fix to the working method and tecnical possibilities would be used, choosing from a wide range of available resources: Virtual Classroom (Aula Virtual, https://aulavirtual.uv.es) activities, live or delayed conferences, web links, forums, theoretical explanations and problems solved in different supports (text documents, spreadsheets, presentations ...), online or email tutoring...

The modality of the classes will depend on the social health conditions and the restrictions established by the competent authorities. In the case of non-face-to-face teaching, classes will be taught by videoconference preferably synchronous using Blackboard Collaborate, Teams, Skype or whatever tool the teacher considers appropriate to optimize the student's teaching-learning process at the time set. In the case of blended teaching, it would be developed according to the rules established by the competent academic authority.

4. Evaluation. Where appropriate, the continuous evaluation would be adapted proportionally to the situation of non-attendance, acquiring greater weight in the global evaluation (and may even constitute 100%) and being instrumented through the Virtual Classroom. If it could not be carried out in person, the final exam would also be carried out through the Virtual Classroom and its weight would be adapted to that required by the continuous assessment.

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