

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

Code	35948
Name	Equity markets and stocks
Cycle	Grade
ECTS Credits	6.0
Academic year	2023 - 2024

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

-
-
- Capacidad para analizar y valorar las inversiones productivas de la empresa.
-
-
- 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.
-
-

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, Growth, short sales.
5. Software applications.

2. UNIT 2. PRICE FORMATION IN STOCK MARKETS. STOCK VALUATION

1. Balance sheet, Income statement, and Cash flow statement of a company.
2. Stock valuation. Fundamental analysis. Efficiency at financial markets.
3. Financial ratios and stock market ratios. Valuation using comparable multiples.
4. Technical analysis: an introduction.
5. Software applications.

3. UNIT 3. DEBT AND DIVIDENDS POLICIES: EFFECTS ON STOCKS

1. Company debt policy.
2. The influence of debt policy on stock valuation.
3. Company dividend policy.
4. The influence of dividend policy on stock valuation.
5. Software applications.

4. UNIT 4. 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.

5. UNIT 5. 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.; Meda, 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.