

## **INTERNATIONAL FINANCIAL INSTITUTIONS AND MARKETS**

**COURSE:** SECOND

**SEMESTER:** SECOND

**TYPE:** OBLIGATORY

**CREDITS:** 6

**LANGUAGE:** ENGLISH

**SENIOR LECTURER:** [JORDI MENAL](#)

### **OBJECTIVES:**

The objective of the subject consists of providing the students with basic theoretical-practical knowledge about the structure, functioning and impact of financial institutions and markets in the national and international context. The course will emphasize current challenges arising from financial globalization and worldwide financial crisis. Additionally, the students will have to be capable of applying that knowledge to specific case studies in real situations and problems.

### **COMPETENCES:**

#### **BASICS**

- **CB3** – Developing an adequate comprehension of the principal entities and existing institutional, legal and financial structures, as well as understanding the role they play in the context of global economy and the consequences of their policies and decisions
- **CB4** – Capacity of transmitting information, ideas, problems and solutions to a specialized or not specialized public.

#### **GENERALS**

- **CG1** – Observing with a global vision, planning, organizing and managing activities in the business and companies' world.

- **CG2** – Acting in a proactive way, generating ideas and proposals and implementing initiatives and changes in the heart of the organization, as well as showing willingness to geographic mobility.

## **TRASVERSALS**

- **CT1** – Acting with critical spirit and reflection on knowledge in every dimension, showing intellectual, cultural and scientific curiosity, as well as commitment to rigor and quality in professional standards
- **CT3** – Interact in global and international contexts to identify needs and new realities to transfer knowledge to areas of current or emerging professional development, with capacity for adaptation and self-direction in the professional and research processes.
- **CT7** – To become the actor's own learning process with a view to a personal and professional improvement and the acquisition of an integral formation that allows to learn and live in a context of linguistic diversity, with social, cultural and economic.

## **SPECIFICS**

- **CE4** – Knowing the principal sources of economic statistic and business information, national and internationally; analyzing and using it in decision-making processes in international business.
- **CE5** – Knowledge of the cultural, social, geopolitical and legislative context of different economies in the world as the foundations to international business development.
- **CE6** – Valuating the changes produced in the context of different international agreement that affect economic relations between different countries and the activity of the company in international business.
- **CE7** – Knowing the role of different agents and economic institutions internationally, and valuating their influence and impact on economic growth, international commerce, financial and enterprise activity.
- **CE8** – Identifying economic, cultural, political, legal, demographic and technologic environments that can represent opportunities and threats to the development of the activity in international business.

- **CE9** – Planning of commercial strategies from knowledge of the basic instruments of international commerce.
- **CE11** – Locating, understanding and valuating the existing information in international context to define the potential markets, according to the type of business and product.

### **LEARNING OUTCOMES:**

- **R1** – The students will be able to reasonably analyze and explain the economic interactions between countries and economic areas.
- **R2** – The students will be able to gather information and critically argue the economic consequences of globalization.
- **R4** – The students will be able to evaluate professional practices in emergent and global contexts, as well as proposing intervention guidelines adjusted to different realities.
- **R7** – The students will develop an adequate comprehension of the principal entities and existing institutional, legal and financial structures, as well as understanding the role they play in the context of global economy and the consequences of their policies and decisions.

### **CONTENT:**

#### **1. International Financial Institutions and Markets: the Big Picture**

- Basic concepts
- Financial markets, an overview: definition, purpose and types
- Financial institutions, an overview: definition, purpose and types

#### **2. Valuation and Efficiency in Financial Markets**

- The meaning and role of interest rates
- The evolution of interest rates
- Interest rates in the context of risk
- Efficiency of financial markets

### **3. Central Banking and Monetary Policy**

- Central banks
- Tools and goals of monetary policy

### **4. Banking and Financial Innovation**

- Banking: history, structure and competition
- General principles of bank management
- Tradition and e-finance

### **5. The International Financial System**

- Financial globalization
- Structure of the international financial system
- Main international organizations and groups

### **6. International Financial Crisis**

- The crux: financial crisis
- Financial globalization in stable times
- Financial globalization in times of crisis
- Challenges for the financial world economy

### **7. Financial Institutions in the International Arena**

- Intervening in international markets
- Management of international financial institutions

### **8. Dealing with Financial Risk**

- Financial regulations
- Risk management

## **EVALUATION SYSTEM:**

There will be two partial exams that will have a value of 50% of the final grade the remaining 50% will be obtained from three activities, attendance and active participation in class, in addition to the activities oral presentations:

- 1<sup>st</sup> Partial Exam: 25% - Minimum grade to pass 5/10 (five out of 10). Susceptible of recovery by means of a complementary examination, as long as the student has correctly developed the complete continuous evaluation.
- 2<sup>nd</sup> Partial Exam 2: 25% - Minimum grade to pass 5/10 (five out of 10). Susceptible of recovery by means of a complementary examination, as long as the student has correctly developed the rest of the continuous evaluation.
- Activity 1: 10%. Mandatory. Individual work. The student must do it and deliver it on the stipulated date in order to be able to prove the correct development of the continuous evaluation. This work will consist of a written delivery as well as an oral presentation in class. Each student will perform a different activity so that each of the presentations will have associated a debate to delve into the topic discussed.
- Activity 2: 10%. Mandatory. Individual work. The student must do it and deliver it on the stipulated date in order to be able to prove the correct development of the continuous evaluation. This work will consist of a written delivery as well as an oral presentation in class. Each student will perform a different activity so that each of the presentations will have associated a debate to delve into the topic discussed.
- Activity 3: 30%. Mandatory. GROUP work. The student must do it and make the different deliveries on the stipulated dates for the correct monitoring by the teacher and for the correct monitoring of the subject itself and its continuous evaluation by the students. This part will have a value of 20%. The students can make the oral presentation, as long as they have made the partial deliveries of the activity. This part will have a value of 10%. Both parts (written work and oral presentation) are mandatory. Each group will perform a different activity so that each of the presentations will have associated a debate to delve into the topic discussed.

In addition, the teacher will take into consideration the evolution, progress, proactivity, effort and development of the continuous evaluation; besides taking into account the assistance and active participation. An outstanding consideration will be given to the contributions made by the students.

In the event that a student, having correctly developed the practical part of the continuous evaluation, doesn't pass one or both partial exams may have the chance to retake the exam in the complementary period, in order to guarantee the option of improvement.

### **METHODOLOGY:**

The subject is classroom-based and combines theoretical knowledge with its practical implementation. Through classroom sessions, the teacher will expose contents of the program using different learning methodologies, besides making group activities in which acquired knowledge will be put into practice. Furthermore, the students must do individual activities during the hours of personal work.

### **REFERENCE BIBLIOGRAPHY:**

- [ESERP online library] – Madura, J. (2017). *Financial Markets and Institutions*. Cengage Learning.
- [ESERP online library] – Brandl, M.W. (2016). *Money, Banking, Financial Markets and Institutions*. Cengage Learning.

### **COMPLEMENTARY BIBLIOGRAPHY:**

- Rodrik, D. (2012) *The Globalization Paradox*. Norton.
- Howells, P., and K. Bain (2007) *Financial Markets and Institutions*, 5th edition. Financial Times/ Prentice Hall.
- Pilbeam, K. (2010) *Financial Markets and Institutions*, 3rd edition. Palgrave Macmillan.
- Valdez, S. and P. Molyneux (2010) *An Introduction to Global Financial Markets*, 6th edition. Palgrave Macmillan.