SAGRADO
Universidad del Sagrado Corazón

BUSINESS ADMINISTRATION

SYLLABUS

TITLE:	Stock Markets
CODE:	FIN 408
PREREQUISITE	FIN 304 and FIN 305
CREDITS:	3 credits | 45 contact hours | 1 term

DESCRIPTION

Discussion of the characteristics of liquid investments (securities) and the configuration of the financial markets in which they trade. Study of the role of brokerage houses and investment banks. Interpretation and analysis of the financial press.

JUSTIFICATION

Investment in financial securities by organizations and independent investors takes place in a formal market. The goal of investing is to maximize wealth through the purchase of securities whose return potential is high.

The business administration student who wishes to specialize in the field of finance needs to understand the workings, structure, and characteristics of the stock market. In this way, the student is exposed to the basic principles in the process of buying and selling financial securities and to the way in which the registered representative acts as an intermediary that facilitates this process.

COMPETENCES

The course develops the following competences in students:

- **Critical questioning**
- **Research and exploration**

OBJECTIVES

After completion of the course, students will be able to:

1. Understand the distinguishing characteristics of securities.
2. Understand the structure and functioning of the markets in which they are traded.
3. Negotiate the purchase and sale of liquid investments with a registered representative (i.e., broker).
4. Plan their investments with the purpose of diversifying risk and maximizing return.
5. Argue inflationary factors in the financial press.
6. Recognize the importance of ethics in the functioning of securities markets.

CONTENTS

I. Introduction to the Stock Market
   A. Securities: debt vs. equity
   B. Markets: auction vs. negotiated
   C. The registered representative: their role
   D. Principle of financial planning
   E. Impact of ethics

II. Stock Markets: Their Operation
   A. Auction markets (exchanges)
   B. Over-the-counter markets
   C. Other markets
   D. Central markets
   E. Other related topics:
      1. Commissions and mark-ups
      2. Insurance
      3. Tape reading
      4. Indexes

III. The Financial Press: Its Interpretation
   A. The financial press
      1. Inflation and the selection process between securities and goods
      2. Causal relationship between the degree of inflation and stock prices
      3. The most important inflationary factors

4. Effects of inflation on the economy

IV. Portfolio Theory
   A. Fundamental analysis
      1. Capital Assets Pricing Model
      2. The Markowitz Optimization Model
      3. Sharp Ratio
   B. Technical analysis
      1. Candlestick Charts (Japanese)
      2. Relative Strength Charts
      3. Simple Moving Average (SMA)
      4. Bollinger Band Charts

V. Ethics in Finance: Issues in Theory and Practice
   A. Financial management of multinational corporations
      1. FOREX market
      2. Crypto currency
      3. International financial markets
      4. Currency derivatives

METHODOLOGY

The following strategies from the active learning methodology are recommended:

- Problem-based learning
- Case method
- Simulations
- Flipped classroom

EVALUATION

Partial assignments	30%
Oral presentations	20%
Compositions	20%
Final project or exam	30%
Total	**100%**

LEARNING ASSESSMENT

The institutional assessment rubric is applied to the course's core activity.

BIBLIOGRAPHY

Becket, M. (2017). *How the Stock Market Works.* Kogan Page Publishers.

Dudley Stewart, S., Piros, C. D., & and Heisler, J. C. (2019). *Portfolio Management: Theory and Practice*. Wiley.

Kent Baker, H., Filbeck, G., & Nofsinger, J. R. (2019). *Behavioural Finance*. Oxford University Press.

Korn, R., Luderer, B. (2021). *Money and Mathematics: A Conversational Approach to Modern Financial Mathematics and Insurance*. Springer.

For more information resources related to the course's topics, access the library's webpage http://biblioteca.sagrado.edu/

REASONABLE ACCOMMODATION

For detailed information on the process and required documentation you should visit the corresponding office. To ensure equal conditions, in compliance with the ADA Act (1990) and the Rehabilitation Act (1973), as amended, any student in need of reasonable accommodation or special assistance must complete the process established by the Vice Presidency for Student Affairs.

- Students participating in the Student Support Program (PAE, in Spanish) shall request their reasonable accommodation in PAE's offices.
- Students who do not participate in PAE shall request their reasonable accommodation at the Integral Wellness Center (*Centro de Bienestar Integral*,).

ACADEMIC INTEGRITY

This policy applies to all students enrolled at Universidad del Sagrado Corazón to take courses with or without academic credit. A lack of academic integrity is any act or omission that does not demonstrate the honesty, transparency, and responsibility that should characterize all academic activity. Any student who fails to comply with the Honesty, Fraud, and Plagiarism Policy is exposed to the following sanctions: receive a grade of zero in the evaluation and / or repetition of the assignment in the seminar, a grade of F (*) in the seminar, suspension, or expulsion as established in the Academic Integrity Policy effective in November 2022.

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