

SYLLABUS

Introductory Financial Economics 7.5 credits N0022N

Finansiell ekonomi, introduktion

Course syllabus admitted: Autumn 2023 Sp 1 - Present

**DECISION DATE
2021-02-17**

Introductory Financial Economics 7.5 credits N0022N

Finansiell ekonomi, introduktion

First cycle, N0022N

Education level	Grade scale	Subject	Subject group (SCB)
First cycle	U G VG *	Nationalekonomi	Economics

Entry requirements

In order to meet the general entry requirements for first cycle studies you must have successfully completed upper secondary education and documented skills in English language + Swedish upper secondary school courses Mathematics 3b or 3c or Mathematics C, Social Studies 1b or 1a1+1a2.

Selection

The selection is based on final school grades or Swedish Scholastic Aptitude Test.

Course Aim

After completing the course the student should have the ability to:

- Describe the most important actors on the Swedish financial markets, describe how the trade of financial instruments in Sweden are organized and describe how an investor should do (in practice) if they want to buy or sell stocks.
- Graphically explain how investors choose an optimal portfolio.
- Understand the theory for efficient market.
- Value different financial instruments such as stocks, bonds, option and forwards.
- Identify and explain different sources of risk for financial instruments and to some extent deal with these risks.
- In a group work analyze financial information and present this in a written report.

Contents

This course provides knowledge that is useful both for you as an individual and in your professional role as an economist. This knowledge is also useful when you want to enter the stock market, irrespective of whether you want to speculate and take great risks or if you are careful and want to build long term savings. Knowledge about financial instruments also becomes more important in business as deregulations, globalization and demand for certification of financial companies increase. This might be the case regarding insurance of currency transactions in an export company or your role as advisor/stock broker in a bank or stock brokerage firm. This course is ideal for those who do not have any experiences of stocks, but is also suited for those who already own stocks.

The following areas will be included:

- Different actors on Swedish financial markets and Financial trading.
- How we graphically by using Markowitz portfolio theory and the Capital Asset Pricing Model (CAPM) can show how investor chose optimal portfolios.
- An introduction to efficient markets.
- Discounting
- Stock valuation
- Sources of risk and the importance of diversifying.
- Bond valuation.
- Interest risk.
- Identification of factors that influence the value of option and forwards.
- An introduction how we could use option and forwards for speculation or for insurance.

Realization

Each course occasion's language and form is stated and appear on the course page on Luleå University of Technology's website.

The teaching will be in the form of lectures and a number of voluntary seminar sessions where students present and discuss problems dealing with the course's various areas. Furthermore the students will carry out a written assignment (investment project) covering 1.5 credits.

Examination

If there is a decision on special educational support, in accordance with the Guideline Student's rights and obligations at Luleå University of Technology, an adapted or alternative form of examination can be provided. The course ends with a (individual) written exam covering the content of the course equivalent to 6 credits. The exam is given the grades VG (passed with honor), G (passed) or U (failed). The written exam examines mainly targets a-e above.

Furthermore the students will carry out a written assignment covering 1.5 credits. Concerning the assignments, grading will be Pass (G) or Fail (U) only. The written assignment examines mainly target f.

The grades of the (individual) written exam will determine the final grade of the course.

Unauthorized aids during exams and assessments

If a student, by using unauthorized aids, tries to mislead during an exam or when a study performance is to be assessed, disciplinary measures may be taken. The term "unauthorized aids" refers to aids that the teacher has not previously specified as permissible aids and that may assist in solving the examination task. This means that all aids not specified as permissible are prohibited. The Swedish version has interpretative precedence in the event of a conflict.

Remarks

Students must register for the courses themselves or contact ETKS educational administration, eduetks@ltu.se not later than three days after the quarter commences. Failure to do so can result in the place being lost. This rule also applies to students with a guaranteed place.

Undergraduate level, progression A. The course is only given in Swedish.

Due to similar content, the course cannot be included in a degree together with the course Financial economics (N0038N) 7,5 credits or other courses with similar content.

Overlap

The course N0022N is equal to N0038N

Course offered by

Department of Social Sciences, Technology and Arts

Modules

Code	Description	Grade scale	Cr	Status	From period	Title
0001	Written exam	U G VG *	6	Mandatory	A07	
0002	Written investment project	U G#	1.5	Mandatory	A07	

Study guidance

Study guidance for the course is to be found in our learning platform Canvas before the course starts. Students applying for single subject courses get more information in the Welcome letter. You will find the learning platform via My LTU.

Last revised

by Director of Undergraduate Studies Daniel Örtqvist, Department of Social Sciences, Technology and Arts 2021-02-17

Syllabus established

by institutionen för industriell ekonomi och samhällsvetenskap 2007-02-28