



# Faculty of Business Management and Tourism

## BACHELOR'S DEGREE IN FINANCE AND ACCOUNTING: 2023-2024

### Subject Data

**Name:**

MERCADOS FINANCIEROS II

**English name:**

FINANCIAL MARKETS II

**Code:**

858610218/ 859110225

**Type:**

BASIC

**Hours:**

|                          | Total     | In class | Out class |
|--------------------------|-----------|----------|-----------|
| <b>Time distribution</b> | 150 hours | 45 hours | 105 hours |

**ECTS:**

| Standard group | Small groups |     |           |                    |
|----------------|--------------|-----|-----------|--------------------|
|                | Classroom    | Lab | Practices | Computer classroom |
| 3,6            | 0,9          |     |           |                    |

**Departments:**

FINANCIAL ECONOMICS, ACCOUNTING AND  
OPERATIONS MANAGEMENT

**Knowledge areas:**

FINANCIAL ECONOMICS AND  
ACCOUNTING

**Year:**

4°

**Semester**

1°

**ANEXO I****TEACHING STAFF**

| <b>Name:</b>                   | <b>E-mail:</b> | <b>Telephone</b> |
|--------------------------------|----------------|------------------|
| Juan José García Machado (PhD) | machado@uhu.es | + 34 959217857   |
|                                |                |                  |
|                                |                |                  |

**Others Data (Tutoring, schedule...)**

OFFICE HOURS: Faculty of Business Management and Tourism (Office no. 21)

Monday and Wednesday: From 12:30 to 14:30 h.

Thursday: From 8:30 to 10:30 h.

## ANEXO I

### SPECIFIC INFORMATION OF THE COURSE

#### I. Contents description:

##### I.1 In English:

- The term structure of interest rates.
- Derivative Markets (I): Generalities and OTC Markets.
- Derivative Markets (II): financial futures.
- Derivative Markets (III): financial options.
- Volatility and risk.
- Option pricing models.
- IMF and the Foreign Exchange Rates
- EMU (Economic and Monetary Union) and the Euro.

##### I.2 In Spanish:

- La estructura de los tipos de interés
- Mercados derivados (I): generalidades y mercados OTC
- Mercados derivados (II): futuros financieros
- Mercados derivados (III): opciones financieras
- Volatilidad y riesgo
- Modelos de valoración de opciones
- El SMI y el mercado de divisas
- La Unión Monetaria Europea y el euro

#### 2. Background:

##### 2.1 Situation within the Degree:

This subject is an upper-division undergraduate finance course that focuses on financial markets

##### 2.2 Recommendations

###### PREREQUISITES:

Financial Markets I

###### RECOMMENDATIONS:

Basic training in Financial Management, Financial Mathematics, General Economics and Statistics.

## ANEXO I

### 3. Objectives (as result of teaching):

#### GENERAL OBJECTIVES

- To provide students with a theoretical and practical training on financial assets and markets that enables them to develop a professional work in this field, while completing their knowledge in this branch of Finance

#### SPECIFIC OBJECTIVES

- To understand the term structure of interest rates as well as its different theories.
- To learn the major types of financial derivatives currently traded in financial markets.
- To understand the operational foundations that guide derivatives markets and OTC markets.
- To learn financial future contracts and financial option contracts.
- To be able to develop investment strategies for derivatives.
- To identify and understand the significant variables that may have an impact on the profitability and risk (volatility) of derivatives.
- To learn how to apply the main option pricing models.
- To understand the International Monetary System (IMS), as well as the functioning and theories on foreign exchange markets.

### 4. Skills to be acquired

#### 4.1 Specific Skills:

- CE11 - Be able to select investment projects and financing sources, interpret the financial information of the companies and the Stock Market, carry out financial operations in the business field and in the field of finance corporate.
- CE14 - Develop the ability to design, write, execute and manage projects and reports, and advise on specific financial and accounting situations
- CE15 - Develop the ability to understand, interpret and apply the concepts, methods and techniques used for the decision-making in financial management to achieve the objectives of the organizations, as well as those used in the analysis and management of the different financial instruments in the context of their corresponding markets.

#### 4.2 General, Basic or Transversal Skills:

- CG1 - That students develop cognitive, instrumental and attitudinal skills in the context of Finance and Accounting.
- CB1 - That students demonstrate understand the knowledge in an area of study supported by advanced textbooks, also including some of the last topics involved from the of your field of study.
- CB2 - That students know how to apply their knowledge to their work or vocation in a professional way and possess the competencies that are usually demonstrated through the elaboration and defense of arguments and the resolution of problems within their area of study.
- CB3 - That students have the ability to gather and interpret relevant data (usually within their study area) to make judgments that include a reflection on relevant issues of a social, scientific or ethical nature.
- CB4 - That students can transmit information, ideas, problems and solutions to both specialized and non-specialized audiences.
- CB5 - That students develop those learning skills necessary to undertake studies posterior with a high degree of autonomy.
- TC1. Be completely fluent in Spanish, mastering the different styles and the specific languages required to develop and communicate the acquired knowledge in the scientific and academic environment.
- TC2. Develop a critical attitude, being able to analyse and synthesize.
- TC3. Develop an attitude of inquiry that permanently enables to review and deepen knowledge.
- TC4. Acquire Computer and Information Skills (CI2) and apply them working.

### 5. Training Activities and Teaching Methods

#### 5.1 Training Activities:

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- Lectures / problem solving sessions.
- Supervised academic activities: seminars, conferences, projects, debates, group office hours, evaluation activities, self-evaluation activities.
- Individual study.

### 5.2 Teaching Methods:

- Lectures
- Problem solving sessions.
- Individual supervised work.
- Evaluation activities.
- Office hours.

### 5.3 Development and Justification:

All necessary materials to follow-up the lectures and problem-solving sessions will be available on the online learning platform Moodle (<http://moodle.uhu.es/contenidos/login/index.php>). The website of this course will contain information about the contents of the subject, working plans, schedules and interesting links.

During lectures, different resources such as blackboards (traditional/ electronic) and PowerPoint presentations will be used. Additionally, lecturers and professors may provide students with supplementary materials (electronic files, photocopies).

Problem solving sessions will allow students to put into practice the knowledge they acquired during master classes. Emphasis will be placed on the resolution mechanisms, their limitations and advantages, as well as a critical analysis of the results achieved. These problem-solving sessions will be interactive and students' participation will be taken into account when assessing their performance and learning outcomes.

## 6. Detailed Contents

## ANEXO I

### **PART I: THE TERM STRUCTURE OF INTEREST RATES AND OVER-THE-COUNTER MARKETS**

#### **UNIT 1: THE TERM STRUCTURE OF INTEREST RATES**

1. Introduction
2. The intrinsic characteristics of financial assets.
3. Spot rates, forward rates and yield to maturity.
4. The term structure of interest rates and the yield curve.
5. The expectations theory.
6. The segmented markets theory.
7. Evidence on the term structure in practice.
8. Estimation of the zero-coupon yield curve.
9. Advantages of the zero-coupon yield curve.

#### **UNIT 2: DERIVATIVES MARKETS: GENERALITIES AND OTC MARKETS**

1. Derivatives Markets: general aspects.
2. OTC markets on interest rate.
3. Other OTC markets.

### **PART II: ORGANIZED DERIVATIVE MARKETS OF FUTURES AND OPTIONS**

#### **UNIT 3: DERIVATIVES MARKETS: FINANCIAL FUTURES**

1. Introduction
2. Financial futures contracts.
3. Financial futures price
4. Financial leverage and derivatives.
5. Transactions with financial futures.
6. Financial futures and options trading in Spain.

#### **UNIT 4: DERIVATIVES MARKETS: FINANCIAL OPTIONS**

1. Financial options: concept, types of options, elements of financial options contracts.
2. Factors affecting financial option prices.
3. Call and put options. Relationship between futures and options.
4. Financial options strategies.

#### **UNIT 5: DERIVATIVES MARKETS IN SPAIN**

1. Introduction.
2. History and main characteristics.
3. Operational aspects.
4. Major consequences of Euro implementation.
5. Fixed-income derivatives
6. Variable-income derivatives.

## **7. Bibliography**

### **7.1 Basic Bibliography:**

## ANEXO I

- ANALISTAS FINANCIEROS INTERNACIONALES, AFI (2015): Guía del Sistema Financiero Español. 7ª Edición. Afi Ediciones Empresa Global. Madrid.
- MARTIN LOPEZ, M. A.; MARTIN MARIN, J. L.; OLIVER ALFONSO, M<sup>a</sup>. D. y DE LA TORRE GALLEGOS, A. (2009): Manual Práctico de Mercados Financieros. Delta Publicaciones. Madrid.
- MARTIN MARIN, J. L. y TRUJILLO PONCE, A. (2014): Manual de los Mercados Financieros. Thomson. Madrid.

### 7.2 Additional Bibliography:

- CASTELLANOS HERNÁN, E. (2011): Opciones y Futuros de Renta Variable: Manual Práctico. BME, Bolsas y Mercados Españoles. Madrid.
- GARCIA MACHADO, J. J.; DE LA VEGA JIMENEZ, J. J. y TOSCANO PARDO, D. (2003): Supuestos de Mercados Financieros. Materiales para la Docencia, nº 27. Servicio de Publicaciones de la Universidad de Huelva. Huelva.
- HULL, J. C. [2015]: Introducción a los Mercados de Futuros y Opciones. 8ª Edición. Pearson - Prentice Hall. Herfordshire.
- LAMOTHE FERNÁNDEZ, P. y PÉREZ SOMALO, M. (2003): Opciones Financieras y Productos Estructurados. 2ª Edición. McGraw-Hill. Madrid.

## ANEXO I

### 8. Systems and Assessment Criteria

#### 8.1 System for Assessment:

- Written/ oral exam.
- Continuous assessment.

#### 8.2 Assessment Criteria and Marks:

##### 8.2.1 Examinations Convocatory I

- **WRITTEN/ ORAL EXAM: 50%.** Individual final written exam to evaluate the theoretical-practical and methodological knowledge
  - Structure of the final written exam: the final exam includes all the contents of the subject. The final written exam will consist of two clearly differentiated parts: a theoretical part (T) and a part of problem-solving (P). The theoretical part (40% of the grade) will consist of short and/ or multiple-choice questions and the problem-solving part (60% of the final grade) is composed of two or three exercises.
  - To be able to compute the parts, a minimum of 3 points (out of 10) on the theoretical part and a minimum of 3,5 points (out of 10) in the practical part must be achieved
  - The final grade for the course will be a weighted average between the mark of the final written exam (50%) and that of the activities in the continuous assessment section (50%).
- **CONTINUOUS ASSESSMENT: 50%**
  - Students may have to take up to four tests to assess the theoretical and practical aspects of the subject. These tests will have an equal value and will consist of short and/ or multiple-choice questions: 40%.
  - Active student participation during lectures, problem-solving sessions, seminars, debates, quizzes, and additional activities: 10%

All the evaluation activities will be subject to the Evaluation Regulation for the Official Degree and Master's Degrees of the University of Huelva (approved by the Governing Council on March 13, 2019): [http://www.uhu.es/sec.general/Normativa/Textos\\_Pagina\\_Normativa/Normativa\\_2019/Rgto\\_evaluacion\\_grado\\_mofs\\_ccgg\\_19\\_03\\_13.pdf](http://www.uhu.es/sec.general/Normativa/Textos_Pagina_Normativa/Normativa_2019/Rgto_evaluacion_grado_mofs_ccgg_19_03_13.pdf).

The qualification system used in this course is in accordance with that established in article 5 of Royal Decree 1125/2003, of September 5, which establishes the European credit system and the qualification system in university degrees of character official and valid throughout the national territory: The results obtained by the student in each of the subjects of the study plan will be graded according to the following numerical scale from 0 to 10, with an expression of one decimal, to which its corresponding qualitative rating may be added:

- 0.0 to 4.9: Fail (SS)
- 5.0 to 6.9: Pass (AP)
- 7.0 to 8.9: Notable (NT)
- 9.0 to 10: Excellent (SB)

The mention "With Honor" may be awarded to students who have obtained a grade equal to or greater than 9.0. Their number may not exceed 5% of the students enrolled in a subject in the corresponding academic year, unless the number of students enrolled is less than 20, in which case a single "With Honor".

In the event that the number of candidates for the mention "With Honor" is higher than the maximum allowed and they all have the same grades, an additional test will be proposed to break the tie.

##### 8.2.2 Examinations Convocatory II

The grade will be only the written exam grade, as in the case of the evaluation by Single Final Evaluation.

##### 8.2.3 Examinations Convocatory III



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The grade will be only the written exam grade, as in the case of the evaluation by Single Final Evaluation

### 8.2.4 Extraordinary Convocatory

The grade will be only the written exam grade, as in the case of the evaluation by Single Final Evaluation.

### 8.3 Single Final Evaluation:

To take advantage of this type of assessment, the student must expressly request it from the coordinating teacher of the course. This request must be submitted to the registry of the Department of Financial Economics and Accounting of the University of Huelva within the first two weeks of the course starting or in the fifteen days following its enrollment if this occurs with the course already started.

Continuous evaluation and evaluation by Single Final Test are totally exclusive forms of evaluation. Once a student has started an assessment form, the situation is irreversible.

The structure of the Single Final Test will be the same as that described for the structure of the final written exam of the continuous assessment and will be governed by the same rules.

If a student chooses to be evaluated by the Single Final Exam option, their grade will be exclusively the grade obtained in the Final Single Exam whose weight will be 100%.