

FUC - Ficha de Unidade Curricular

Curricular Unit's File

Code	00222
Name (PT)	Economia Financeira
Name (EN)	Financial Economics
Regime	Semestral
Level	1.º Ciclo
Teaching language	Inglês
School	Escola de Ciências Sociais e Humanas (ECSH)
Department	DEP
Scientific area	Economia (Econ)
Responsible academic staff	Sérgio Miguel Chilra Lagoa
Pre-requisites	Macroeconomics I and II, Microeconomics I and Monetary Economics
Objectives	Introduce students to the study of financial economics; explaining how investors make decisions, financial markets work, and the price of assets is determined.
Learning outcomes	<p>The module's goal is to develop the following students' competences:</p> <p>Knowledge and comprehension:</p> <ul style="list-style-type: none"> - LG1. of how the investor decides to invest in the risky assets and the riskless asset - LG2. of the equilibrium mechanisms in capital markets <p>Knowledge's application</p> <ul style="list-style-type: none"> - LG3. Capacity to estimate the fundamental value of bonds and shares <p>Analyse and evaluation</p> <ul style="list-style-type: none"> - LG4. Capacity to evaluate financial markets' fluctuations and relate them with the arrival of new information <p>Communication:</p> <ul style="list-style-type: none"> - LG5. Capacity to work in a team and to motivate and mobilize teams to common projects and collective resolution of problems - LG6. Capacity to make arguments and justify them from a theoretical and empirical point of view, and be able to communicate them

Syllabus	<p>1. Portfolio Theory:</p> <ul style="list-style-type: none"> a. The problem of portfolio selection b. Efficient frontier and investor's decision <p>2. Equilibrium models of the capital markets:</p> <ul style="list-style-type: none"> c. CAPM - Capital Asset Pricing Model d. Index Models e. APT - Arbitrage Pricing Theory f. Market efficiency <p>3. Fixed-income securities:</p> <ul style="list-style-type: none"> a. Credit risk b. Managing bond portfolios <p>4. Shares valuation:</p> <ul style="list-style-type: none"> a. The use of ratios b. The method of discounted dividends and the PER
Assessment	<p>The assessment uses the types of exams ('frequência' and 'exames') and evaluation dates ('1.^a e 2.^a épocas') in ISCTE's evaluation regulations. In '1.^a Época', the student can choose between:</p> <ul style="list-style-type: none"> - Continuous evaluation: mid-term exam (35%), oral presentation (15%) and final test (50%). To participate in the continuous evaluation, the student needs to have a rate of attendance to classes equal or larger than 80%. - Final exam (100%) <p>In '2.^a Época' the grade is the one obtained in the final exam.</p>
Teaching methodology	<p>The module use the following teaching methods:</p> <ol style="list-style-type: none"> 1. Lectures to present the theoretical frameworks. 2. Tutorials, with analysis and resolution of exercises 3. Tutorials, with analysis, discussion and reading of textbooks and papers 4. Active related with team work 5. Self-study related to the student's independent work, as set out in the planning of classes.
Demonstration of the syllabus coherence with the curricular unit's objectives	<p>Correspondence between the program's points (P) and learning goals (LG):</p> <p>P1: LG1 P2: LG2 e LG4 P2, P3 e P4: LG3 P1 a P4: LG5 e LG6</p>
Demonstration of the coherence between the teaching methodologies and the learning outcomes	<p>Correspondence between pedagogical methods and learning goals (LG)</p> <p>Lectures: OA1 and OA2 Tutorials: OA3 and OA4 Active with team work: OA5 and OA6. Self-study: all except OA6.</p>
Main Bibliography	
Complementary Bibliography	