



ÇANKAYA UNIVERSITY

Faculty of Economics and Administrative Sciences

Course Definition Form

Part I. Basic Course Information

Department Name	Economics	Dept. Numeric Code	3 1
Course Code	E C O N 3 1 6	Number of Weekly Lecture Hours	3
		Number of Weekly Lab/Tutorial Hours	0
		Number of Credit Hours	3
Course Web Site	http:// econ316.cankaya.edu.tr		ECTS Credit
			0 5

Course Name and Other Course Information

This information will appear in the printed catalogs and on the web online catalog.

English Name	Financial Economics
Turkish Name	Finansal Ekonomi
Mode of Delivery	Face to face
Language of Instruction	English

Course Description

Provide a brief overview of what is covered during the semester. This information will appear in the printed catalogs and on the web online catalog. Maximum 60 words.

The course covers basic concepts of financial investment, management of investment portfolios and pricing of assets in these portfolios. Topics include diversification, asset allocation, portfolio optimization, factor models, the relation between risk and return, mutual funds, performance evaluation as well as basic coverage of pricing and use of financial derivatives, including options, forwards and futures.

Prerequisites (if any) <i>Give course codes and check all that are applicable.</i>	1 st	2 nd	3 rd	4 th
	<input type="checkbox"/> Consent of the Instructor	<input type="checkbox"/> Senior Standing	<input type="checkbox"/> Give others, if any.	
Co-requisites (if any)	1 st	2 nd	3 rd	4 th
Course Type <i>Check all that are applicable</i>	<input type="checkbox"/> Must course for dept. <input type="checkbox"/> Must course for other dept.(s) <input type="checkbox"/> Elective course for dept. <input checked="" type="checkbox"/> Elective course for other dept.(s)			

Part II. Detailed Course Information**Course Objectives***Maximum 100 words.*

This course aims to give the necessary background and tools to students for understanding the workings of the financial markets. This includes understanding the role of financial markets in the economy, pricing of financial assets and formation of optimal portfolios. A student completing this course successfully is expected to know about valuation of different assets, management of investment portfolios, formation and analysis of optimally diversified portfolios.

Learning Outcomes*Explain the learning outcomes of the course. Maximum 10 items.*

After the completion of the course, the students will:

- understand the building blocks of modern financial economics, both in the context of full information market economies and non-market contractual relationships;
- overview the main theoretical and empirical developments in order to analyse the way in which firms make financial decisions and how such decisions are likely to affect performance;
- overview the main theoretical and empirical developments in explaining the behaviour of stock prices within auction and dealership markets, developing student awareness of the important issues in market microstructure;
- have a firm grasp of the important tools commonly used in investment analysis;
- demonstrate understanding of various theories of risk-factor pricing, such as the Capital Asset Pricing Model (CAPM) and the Arbitrage Pricing Theory (APT);
- critically evaluate the theory of, and empirical evidence on efficient markets;
- demonstrate knowledge of the price formation process in financial markets;
- demonstrate ability in pricing default-free fixed-income securities;
- be conversant with basic institutional features of derivatives markets, and should be able to demonstrate how derivative instruments are priced and they are used for hedging purposes.

Textbook(s)*List the textbook(s), if any, and other related main course material.*

Author(s)	Title	Publisher	Publication Year	ISBN
Bodie, Zvi, Alex Kane, and Alan J. Marcus	Essentials of Investments	McGraw-Hill Education	2013, 9 th ed.	
Hull, John	<i>Fundamentals of Futures & Options Markets</i>	Pearson	2017, 8 th ed.	
McDonald, Ronald	Derivatives Markets	Pearson	2012, 3 rd ed.	

Reference Books*List, if any, other reference books to be used as supplementary material.*

Author(s)	Title	Publisher	Publication Year	ISBN

Teaching Policy*Explain how you will organize the course (lectures, laboratories, tutorials, studio work, seminars, etc.)*

Lectures

Laboratory/Studio Work*Give the number of laboratory/studio hours required per week, if any, to do supervised laboratory/studio work and list the names of the laboratories/studios in which these sessions will be conducted.*

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Computer Usage

Briefly describe the computer usage and the hardware/software requirements for the course.

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Course Outline

List the weekly topics to be covered.

Week	Topic(s)
1	Introduction and Asset Classes, Securities Markets
2	Mutual Funds and Other Intermediaries, Risk and Return
3	Efficient Diversification
4	Asset Pricing Models
5	Efficient Markets
6	Hedge Funds
7	Midterm Exam
8	Bond Prices and Yields
9	Managing Bond Portfolios
10	Macroeconomic and Industry Analysis
11	Equity Valuation
12	Financial Statement Analysis
13	Options, Futures and Other Derivatives
14	Portfolio Performance Analysis

Grading Policy

List the assessment tools and their percentages that may give an idea about their relative importance to the end-of-semester grade.

Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage
Mid-term exam	1	%40						
Final exam	1	%50						
Attendance	1	%10						

ECTS Workload

List all the activities considered under the ECTS.

Activity	Quantity	Duration (hours)	Total Workload (hours)
Attending Lectures (<i>weekly basis</i>)	14	3	42
Attending Labs/Recitations (<i>weekly basis</i>)	-	-	-
Compilation and finalization of course/lecture notes (<i>weekly basis</i>)	14	1	14
Collection and selection of relevant material (<i>once</i>)	1	3	3
Self study of relevant material (<i>weekly basis</i>)	14	2	28
Take-home assignments	-	-	-
Preparation for quizzes	-	-	-

Preparation for mid-term exams (including the duration of the exams)	1	18	18
Preparation of term paper/case-study report (including oral presentation)	-	-	-
Preparation of term project/field study report (including oral presentation)	-	-	-
Preparation for final exam (including the duration of the exam)	1	20	20
TOTAL WORKLOAD / 25			125/25
ECTS Credit			5

Program Qualifications vs. Learning Outcomes Consider the program qualifications given below as determined in terms of learning outcomes and acquisition of capabilities for all the courses in the curriculum. Look at the learning outcomes of this course given above. Relate these two using the Likert Scale by marking with X in one of the five choices at the right.

No	Program Qualifications	Contribution				
		0	1	2	3	4
1	To relate the knowledge gained through education to the cultural and historical characteristics of the society.				X	
2	To know the quantitative and qualitative methods and computer skills necessary for testing hypotheses derived from economic theories for the purpose of contributing towards the solution of economic problems.					X
3	To acquire the necessary knowledge for gathering and processing data, and for building up the scientific research capacity to guide economic policy.					X
4	To specialize in some of the sub-disciplines of economics, and to gain interdisciplinary analytical skills by making connections between those sub-disciplines and other social sciences.					X
5	To have the ability to question, interpret, and analyze the findings of economic studies.				X	
6	To develop the ability to present in writing as a report and verbally as a presentation the knowledge acquired through education			X		
7	To be able to work in teams, and when necessary to rise up to the challenge individually.		X			
8	To gain life-long learning and critical-thinking skills.			X		
9	To be able to assess one's need for advanced study and to make plans accordingly by using the critical and analytical thinking skills gained during undergraduate studies				X	
10	To gain the ability to use a language at least at the Level B1 of the European Language Portfolio to follow economic news and developments, and to communicate with colleagues.		X			
11	To maintain scientific, social, and ethical standards when collecting, interpreting, and disseminating economic information, and in application of economic ideas.					X
12	To be conscious of social and environmental needs.					X
13	To develop an open-minded attitude towards new ideas and developments.					X
14	To relate the knowledge gained through education to the cultural and historical characteristics of the society.					X

Scale for contribution to a qualification: 0-none, 1-little, 2-moderate, 3-considerable, 4-highest