

Course Profile - Department of Economics

Course Number : ECO380	Course Title : Financial Economics
Required / Elective : Elective	Pre / Co-requisites : None
Catalog Description: Fundamental micro and macro-based concepts of Financial Economics. Decision making techniques under uncertainty. Asset pricing models. Sources of price movements in bonds, shares, interest rates and exchange rates. Asymmetric information in financial markets. International capital flows. Financial institutions. Financial regulation..	Textbook / Required Material : Zvi Bodie, Alex Kane and Alan J. Marcus, Investments, 8th edition McGraw-Hill. Multinational Financial Management, A.C.Shapiro, Wiley, 8 th ed.
Course Structure / Schedule : 3+0+0 / 6 ECTS	
Extended Description : The purpose of this course is to introduce students to the theory and application of financial economics and international finance. We will cover the analytical tools and finance theory necessary to make good investment decisions and to understand the paradigm of security valuation. Important themes in the course include individual decision making, risk and return, arbitrage, and market equilibrium, exchange rates, and foreign investments.	
Design content : None	Computer usage: Excel
<p>Course Outcomes:</p> <p>By the end of this course, students will be able to:</p> <ol style="list-style-type: none"> 1. understand how fixed income securities such as bonds and common stocks are priced 2. comprehend essentials of portfolio theory 3. recognize the role of government in financial markets 4. review the concepts and tools of investment analysis 5. comprehend benefit nations can get from international activities 6. recognize factors that cause exchange rates to change 7. identify the linkages between international financial prices 8. understand and demonstrate knowledge of the relationship between the changes of exchange rates and the dynamics of fundamental economic factors such as inflation and interest rates, the type of foreign exchange operations. 	
<p>Recommended reading:</p> <p>International Economics, 5th ed. (2005) by D.Appleyard, and A. Field, S.Cobb, McGraw Hill/Irwin.</p> <p>International Economics 8th ed. (2009) by Paul R.Krugman, Maurice Obstfeld, Pearson Education, New York</p>	

Daily newspapers,magazines with a good economic coverage

Teaching methods

Lectures, class discussions

Assessment methods:

Attendance and class participation: 10%

Midterm: 20 %

Final Examination: 30 %

Assignment(class project) : 40 %

Contribution of Course Learning Outcomes to Program Outcomes

	Program Outcomes	Level of Contribution*				
		1	2	3	4	5
1	To comprehend fundamental economic concepts, to be able to utilize those in main economic problems, avoid mistakes as employee, employer, consumer and citizen due to common misconceptions regarding fundamental economic concepts		*			
2	To comprehend growth,inflation, interest rates, foreign exchange rates, foreign investments and foreign trade in Turkish economy					*
3	Acknowledging that there exist different schools of thought in the discipline of economics and appreciating, for example, that there may be differences of opinion about the role of the state in economic life					
4	Understanding the set/matrix of relations in the global world economy and the role of international organizations within these relation;and also analyzing the costs and benefits of mutual dependence among countries.				*	
5	Apprehending the professional and ethical responsibilities, recognizing the importance and implications of occupational security					
6	Apply statistical methods, calculus and similar methods in data analysis, Comprehend problems on humanities and social sciences and make inferences on solutions			*		
7	Recognize the diversity in cultures, belief systems and life styles, question information using logical induction and deduction					
8	Ability to model the equilibrium dynamics in markets, analyze, abstract, synthesize and interpret information				*	
9	The ability to work, take initiative and lead in multidisciplinary teams					
10	Effective communication skills by using written, verbal and visual tools					
11	The ability to recognize life long education and participate in it as a student as well as an educator					
12	Preparing reports which evaluate the economy on sectoral and macro bases; assessing critically the publications related to the economy; being capable of identifying the dynamics of and following the developments in the market, stock exchange markets, exchange rate markets, supply and					*

	demand; collecting and analyzing data on different fields of economics and interpreting them using statistical and econometric techniques and required software programs; equipping with good skills of presenting the findings; efficient note taking; asking the necessary questions to achieve, utilize and transfer information.					
13	Apprehending the role and importance of environment and environmental sustainability					
Level of Contribution* 1= Least 5 = Highest						

Student Workload/ECTS (European Credit Transfer System) Tableau:

Activity:	Number:	Total Workload (hour):
Pre-class reading	14	15
Lectures	14	45
Reading	14	40
Team work	1	45
Exams	3	5
TOTAL 150 hrs/25 = 6 ECTS		

Prepared by : Öİ

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