

## FINA 7A20 - Capital Markets

This course covers the capital markets and some important concepts in investments. The course uses both the lecture and the case method of instruction to develop a practical understanding of some of the more important financial instruments and markets.

It first introduces the investment environment and the relationship between the financial markets and the economy. It highlights the importance of the financial markets in the functioning of a market economy and in meeting the needs of the various clients of the financial system. The course then moves on to discuss various financial instruments and their trading in the money market, the fixed income market, the equity market and derivatives market. A natural extension of these instruments as an investment vehicle leads to development of mutual funds and other investment companies.

The course also covers fixed income securities in detail. In particular, bond pricing, yields, the term structure of interest rates are the basic concepts to be discussed. The methods of bond portfolio management are presented. The final part of the course covers some important derivative securities such as forwards/futures and interest rate swaps.