C38FM Financial Markets Theory

**COURSE DETAILS**

**Course Code:** C38FM  
**Full Course Title:** Financial Markets Theory  
**SCQF Level:** 8  
**SCAF Credits:** 15  
**Available as Elective:** Yes

**DELIVERY LEVEL**

Undergraduate: Yes  
Postgraduate Taught: No  
Postgraduate Research: No

**COURSE AIMS**

To introduce students to modern portfolio theory, and then to acquire and develop understanding, knowledge and skills related to investment and portfolio theory.

**LEARNING OUTCOMES – SUBJECT MASTERY**

- Critically evaluate the role of financial markets, in particular the equity market, in economic systems,
- Explain the main principles involved in investment analysis and the management of equity portfolios,
- Understand and explain the main components and functioning of a developed financial system,
- Understand the need for, and principles of, regulation and the regulatory structure in the UK.

**LEARNING OUTCOMES – PERSONAL ABILITIES**

- Understand the operations and responsibilities of the various professional and regulatory bodies responsible for the operations and stability of the financial system and their role in career paths.
- Carry out the calculations required to apply the principles of investment analysis to simple numerical examples,
- Communicate, and justify, these calculations in an effective way in written format.

**SYLLABUS**

1. The role and structure of securities markets  
2. Shares and risk  
3. Utility theory  
4. Risk and return of a portfolio  
5. Capital Asset Pricing Model
6. Appraisal of investment performance and fundamental analysis of share value
7. Efficient Markets Hypothesis
8. The need for regulation of financial markets
9. The regulatory structure in the UK

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