Study programme(s): Mathematics (M), Applied Mathematics (MAP)

Course title: FINANCE 1 (M137)

Lecturer(s): Jasna V. Atanasijević

Course status: elective (M), compulsory on module: Mathematics of Finance (MAP)

ECTS points: 7

Requirements:

Learning Objectives

To provide an understanding of the role of finance and the financial system in the economy, to help students understand the functioning of the financial market and prepare them for a more advanced course in the financial economy.

Learning Outcomes

At the end of the course, students need to thoroughly master the basic definitions necessary to understand the modern financial system and be able to use the main models taught in course to explain the behavior of financial markets.

Syllabus

Theoretical instructions

- Introduction: Why are we studying finance?
- Money, interest rate, yield to maturity, term interest rate structure, risky interest rate structure
- Securities market, hypothesis of an efficient market
- Basics of financial reporting of companies and measurements of company performance
- Economic analysis of the structure of the financial system
- Banking business and basic principles of bank management
- International financial system and foreign exchange market
- Money offer, monetary mass, monetary multiplication
- Monetary policy

Literature

1. Frederick S. Mishkin, **Monetary Economy, Banking and Financial Markets***,* Datastatus, 2006
2. Milorad Ivanišević, **Poslovne finansije**, Ekonomski fakultet Beograd, 2012

Number of active classes	**Lectures: 3**	**Exercises: 3**

Teaching methods

Lectures are conducted in the form of classical expository lessons with presentations using projectors. The classes also include practical exercises that involve solving practical task in topics covered by theoretical instructions and aiming to ensure understanding of basic concepts through problem solving and calculating different variables based on theoretical definitions and models. The ability of students to apply theoretical concepts that are part of the course, is also checked through team homework (3-5 students). Students are tasked with investigating a practical case and presenting solutions in front of the whole group by referring to theoretical concepts in explaining a practical example. The colloquium consists of exercises

aimed at checking the understanding of notions and concepts. The final exam is in writing form, and students are obliged to demonstrate a comprehensive understanding of the course's content.			
Grading (maximum number of points 100)			
Pre-exam obligations	Points	**Final exam**	Points
colloquia	**60**	written exam	**30**
homework presentation	**10**		