

Syllabus Financial Markets

August – December 2026

IX Cycle

Lizarzaburu Bolaños, Edmundo

I. Course Data

Subject:	Financial Markets		
Requisite:	Financial Instruments	Code:	00983
Precedente:	No tiene	Semester:	2026-2
Credits:	3	Cycle:	IX
Weekly Hours:	3	Type of the course:	Virtual Sessions
Type of course	Obligatory	Course Coordinator	Julio Quispe
Career(s)			

II. Summary

This course will provide student concepts and performance of the national and international financial markets, and the main instruments traded. The course will describe concepts of national and international financial markets, regulation, structure, organization, traded instruments. Mechanisms of trading and listing. Financial markets and global capital flows, contribution to economic growth.

III. Course Objectives

Give students the basics and the tools to analyze and understand financial markets. Besides, to allow them identifying concepts and values of finances related to international markets, developing strategies to manage of financial assets in different markets, which imply at least review and analysis of financial statements.

IV. Learning Outcomes

The student will be able to:

- Understand the importance of financial markets, its composition, structure and regulation.
- Learn the determinants of exchange rate and regulated and unregulated markets, considering MILA (Mercado Integrado Latino Americano by its acronym in Spanish).
- Understand and comprehend government participation in exchange rate and how the Central bank takes part through its monetary policy.
- Acquire knowledge about derivative markets as hedging instruments before exchange rate volatility.
- Learn the mechanism of stock market game of international market with the financial simulation Investopedia, among others.
- Value the importance of the alternative markets of investment as tools that -low diversify its glob- investment portfolio.
- Learn the mechanism of management of assets and liabilities to long term, as well as short term in order to understand the foreign direct investment and the alternatives of international financing.
- Use the tools of derivative markets such as coverage before Exchange rate volatility.
- Identify the alternatives of financial investment and global markets of stock and bonds.

- Use the tools of management of assets and liabilities to long term and short term to establish the level of foreign direct investment.
- Fab Lab application in international Markets

V. Methodology

Classes will be developed encouraging the combination of the practice with the theory, simulations of investment will be performed.

Besides, team work will be applied to intensify learning and develop in the participant the skills needed to work successfully.

The participant must read the assigned material in each session which will complete everything learned in class and will be evaluated in the quizzes and fin- and mid-term exam. The student can do the necessary consultations to the teachers scheduled.

VI. Assessment

The evaluation system is permanent and integral. The course grade is obtained by averaging the continuous assessment with, Ongoing Evaluation (60%) and final exam (40%).

Continuous assessment includes the following:

Average of the Ongoing Evaluation (PEP) 60%		
Type of Evaluation	Description	Weight %
Quiz*	4 Quizzes	45%
Group Research Project**	Task during the class	20%
Individual Research Assignment**	Individual Research Paper	20%
Class Involvement	Cases, Participation, Attendance	15%

* No grade is canceled.

** The guidelines for both the Group and Individual Research Assignments will be handed out by the teacher at the start of the semester.

The final grade average is obtained by:

$$FG = (0,60 \times PEP) + (0,40 \times EF)$$

Legend:

FG = Final Grade

PEP = Average of the ongoing evaluation

EF = Final Exam

VII. Contents

WEEK	CONTENTS	ACTIVITIES / EVALUATION
LEARNING UNIT I: LEARNING OUTCOMES: Understand the importance of financial markets, its composition, structure and regulation.		
1°	1.1 Overview of Financial Markets 1.1.1 Classification of Financial Markets 1.1.2 Primary Markets versus 1.1.3 Secondary Markets 1.1.4 Money Markets versus Capital Markets 1.1.5 Foreign Exchange Markets 1.1.6 Derivative Security Markets 1.1.7 Financial Market Regulation 1.1.8 The Role of Financial Markets 1.1.9 Globalization of Financial Markets 1.1.10 Financial Markets and the Real Economy	Lectures Research Project
	Required reading: Nose, M., & Menkulasi, J. (2025). <i>Fiscal determinants of domestic sovereign bond yields in emerging market and developing economies</i> (IMF Working Paper No. 25/59). International Monetary Fund.	
2°	1.2 Technical Analysis in FOREX market and Investopedia 1.2.1 Tendency 1.2.2 Line and graph bars 1.2.3 Candlestick Analysis 1.2.4 Patterns of continuity as triangles, Wedges, flags, pennants 1.2.5 Momentum 1.2.6 Indicator: MACD (Moving Average Convergence / Divergence) 1.2.7 Indicator: Pivot points & Bollinger bands	
	Required reading: Boisseau-Sierra, M., Chu, J., & Rajgopal, S. (2025). <i>Rating agency disagreement on sovereign debt levels</i> (Working paper). University of Cambridge & Columbia University	
3°	1.3 Government influence on Exchange Rates and Arbitrage 1.3.1 Exchange Rate Systems 1.3.2 European Unique Currency, EURO 1.3.3 Government intervention 1.3.4 International arbitrage 1.3.5 Interaction of Interest Rates, Inflation and Exchange Rates: IRP, PPP, EFI	Quiz 01 (Week 1,2)

WEEK	CONTENTS	ACTIVITIES / EVALUATION
LEARNING UNIT I: LEARNING OUTCOMES: Understand the importance of financial markets, its composition, structure and regulation.		
	Required reading: Almeida, J., & Gonçalves, T. C. (2023). Portfolio diversification, hedge and safe-haven properties in cryptocurrency investments and financial economics: A systematic literature review. <i>Journal of Risk and Financial Management</i> , 16(1), 3.	
4°	1.4 Banking Industry, Central Banks and Monetary Policy 1.4.1 Structure of the Banking System 1.4.2 The Federal Reserve System 1.4.3 The Monetary Supply process : 1.4.4 Peruvian's Central Bank: Structure and 1.4.5 Peruvian's Central Bank: TOSE, reserve rate 1.4.6 Determinants of monetary supply: control 1.4.7 Actual rate and Latam central banks Required reading: Owens, E., & Ba, B. A. (2021). The economics of policing and public safety. <i>Journal of Economic Perspectives</i> , 35(4), 3–28.	Task
5°	1.5 Central bank and monetary policy. 1.5.1 Tools of monetary policy 1.5.2 Objectives of monetary policy 1.5.3 Impact of monetary policy in the FOREX market Required reading: Naidu, S. (2022). Is there any future for a US labor movement? <i>Journal of Economic Perspectives</i> , 36(4), 3–28.	
6°	1.6 Determinants of Exchange rate 1.6.1 Measurement of exchange rate movements 1.6.2 Factors which affect the Exchange rate 1.6.3 Speculation on exchange rate 1.6.4 Currency markets and Forward calculation 1.6.5 Development of applied case 1.6.6 Forward calculation 1.6.7 NDF calculation FIX Required reading: Xia, Z. (2022). Enterprise futures hedging risk management: Take the Qingshan Holdings' nickel futures incident on the LME as an example. <i>Proceedings/Conference paper</i> .	Quiz 02 (Week 3,4,5)

WEEK	CONTENTS	ACTIVITIES / EVALUATION
LEARNING UNIT I: LEARNING OUTCOMES: Understand the importance of financial markets, its composition, structure and regulation.		
7°	1.7 Foreign Exchange (FOREX) Market 1.7.1 Foreign Exchange Markets and Risk 1.7.2 Background and History of FOREX 1.7.3 Foreign Exchange Rates and Transactions (Participants, Purchase and Sale processes) 1.7.4 Investment strategies in Forex 1.7.5 MILA market and portfolio. Required reading: Archibong, B., Coulibaly, B., & Okonjo-Iweala, N. (2021). Washington Consensus reforms and lessons for economic performance in sub-Saharan Africa. <i>Journal of Economic Perspectives</i> , 35(3), 133–156.	2 Interim Update
8° & 9°	1.8 Derivative Markets I: Linear Payoff Derivatives 1.8.1 Classification of Derivatives 1.8.2 Futures Contracts 1.8.3 Forward Contracts 1.8.4 Swaps 1.8.5 Applications 1.8.6 Pricing of Futures and Forward Contracts 1.8.7 General Principles of Hedging with Futures 1.8.8 The Role of Linear Payoff Derivatives in Financial Markets Required reading: Naidu, S. (2022). Is there any future for a US labor movement? <i>Journal of Economic Perspectives</i> , 36(4), 3–28.	Quiz 03
10°	1.9 Derivative Markets II: Nonlinear Payoff Derivatives 1.9.1 Options 1.9.2 Exotic Options 1.9.3 Caps and Floors 1.9.4 Credit Default Swaps 1.9.5 Pricing of Options 1.9.6 Economic Role of Nonlinear Payoff Derivatives 1.9.7 Loans Required reading: Jácome, L. I., & Pienknagura, S. (2022). <i>Central bank independence and inflation in Latin America—Through the lens of history</i> (IMF Working Paper). International Monetary Fund	3 Interim Update

WEEK	CONTENTS	ACTIVITIES / EVALUATION
LEARNING UNIT I: LEARNING OUTCOMES: Understand the importance of financial markets, its composition, structure and regulation.		
11°	1.10 International Investment and rating agencies. 1.10.1 Global Stock and Bond Markets, MILA 1.10.2 Risk factors in international investment 1.10.3 Risk, profitability and diversification 1.10.4 Foreign Assets Portfolio Construction	
	Required reading: Romer, C. D., & Romer, D. H. (2022). A social insurance perspective on pandemic fiscal policy: Implications for unemployment insurance and hazard pay. <i>Journal of Economic Perspectives</i> , 36(2), 3–28.	
12°	1.11 Alternative investment markets 1.11.1 Hedge funds: features, strategies of investment, arbitrage 1.11.2 Venture capital: steps of investments, Features of investment 1.11.3 Investment in re- state 1.11.4 Investment in Exchange Traded Funds 1.11.5 Investment in Commodities	4 Interim Update
	Required reading: Lane, P. R. (2021). The resilience of the euro. <i>Journal of Economic Perspectives</i> , 35(2), 3–22.	
13°	1.12 Management of assets and liabilities to long term 1.12.1 Foreign Direct Investment 1.12.2 International capital budgeting 1.12.3 International acquisitions	Quiz 04 (Week 10,11,12)
	Required reading: Manning, A. (2021). The elusive employment effect of the minimum wage. <i>Journal of Economic Perspectives</i> , 35(1), 3–26	
14°	1.13 Management of assets and liabilities to short term. Export and import market 1.13.1 International financing 1.13.2 Commercial financing methods 1.13.3 Short term financing	Individual Research Paper

WEEK	CONTENTS	ACTIVITIES / EVALUATION
LEARNING UNIT I: LEARNING OUTCOMES: Understand the importance of financial markets, its composition, structure and regulation.		
	Required reading: Manning, A. (2021). The elusive employment effect of the minimum wage. <i>Journal of Economic Perspectives</i> , 35(1), 3–26	
15°	Presentation of the Group Research Project	Presentation of the Group Research Project
16°	FINAL EXAMS	

VIII. Bibliography

Basic Bibliography

- Madura, J. (2013) *International Financial Management* (12th Ed.) Cengage Learning.

Supplementary Bibliography

- Bodie, Z. Kane, A. & Marcus, A. (2006). *Essentials of Investments* (6th Ed). Mc Graw Hill/Irwin
- Fabozzi, F. J. (2015). *Capital Markets: Institutions, Instruments and Risk Management* (5th Ed). The MIT Press: London.
- Mishkin, F. (2013). *Economics of Money, Banking and Financial Markets*. (10 Ed.). Pearson Education.
- Saunders, A. & Millon, M (2012). *Financial Markets and Institutions* (5th Ed). Mc Graw Hill/Irwin

Websites to review

www.reuters.com
www.bloomberg.com
www.bcrp.gob.pe
www.investopedia.com
www.yahoofinance.com
www.bvl.com.pe
<https://www.capitaliq.com>

IX. Lab Support

It doesn't require

X. Lecturer

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