

**COURSE DATA****DATA SUBJECT**

Code: 36157
Name: Banking and financial markets
Cycle: Undergraduate Studies
ECTS Credits: 6
Academic year: 2026-27

STUDY (S)

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Facultat d'Economia	4	Second quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
1316 - Degree in Economics	Pathway: industrial and business economics	ELECTIVES

COORDINATION

FORES CONCHELL VICENTA DOLORES

SUMMARY

The Financial Markets and Banking course is an elective subject within Mention Industrial Economics and Business. It is taught in the second semester of the fourth year of the Bachelor in Economics and has a total of 6 credits.

The aim of this course is to provide students an overview of the main banking operations carried out in Spain, both from the perspective of the potential user of the same as from the credit institutions are carried out. This objective is addressed trying to group and complete a series of knowledge, partly acquired in other subjects, focusing on the analysis of the activity of credit institutions in our country.

The student is also provided a simple but rigorous and updated financial operations, markets fixed income and derivatives markets analysis.

PREVIOUS KNOWLEDGE**RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE**

There are no specified enrollment restrictions with other subjects of the curriculum.



OTHER REQUIREMENTS

To pass the subject, it is desirable that students have taken and passed the subject named Finance, belonging to the second year of the Economy degree.

COMPETENCES / LEARNING OUTCOMES

1316 - Degree in Economics

Be able to collect and analyse information.

Be able to learn autonomously.

Be able to use ICTs.

Have decision-making skills and be able to apply knowledge to practice.

Have oral and written communication skills in the native language.

Know how to analyse and interpret the economic and financial information of companies.

Know the basic concepts of financial analysis and the operation of financial markets.

Show critical thinking skills.

DESCRIPTION OF CONTENTS

1. LOANS: ANALYSIS OF ACTIVE FINANCIAL TRANSACTIONS

This topic covers some of the main active financial transactions, as well as the commercial characteristics that affect customers, and the calculation of the effective rates of these transactions.

- 1.1. Additional term and conditions for active financial transactions. Calculation of effective rates.
- 1.2. Lending operations.
- 1.3. Bank discount.
- 1.4. Checking accounts.

2. LENDERS: FINANCIAL ANALYSIS OF PASSIVE OPERATIONS

This topic covers some of the main bank liabilities transactions, as well as the commercial characteristics that affect customers, and the calculation of the effective rates of these transactions.

- 2.1. Additional term and conditions for passive financial transactions. Calculation of effective rates.
- 2.2. Demand deposits.



- 2.3. Fixed-term deposits.
- 2.4. Bond issues
- 2.5. Repurchase agreements.

3. NEGOTIATION OF FINANCIAL TRANSACTIONS

In this lesson, the objective is first, to remind the student key concepts related to financial operations and the financial asset pricing already studied in other subjects and, secondly, to present the different ways of operating that exist in the Spanish market.

- 1. Financial transaction.
 - 1.1. Definition.
 - 1.2. Outstanding balance.
 - 1.3. Loans.
 - 1.4. Additional term and conditions. Effective rates.
- 2. Internal and external liquidity (marketability).
- 3. Market value of financial transactions.
- 4. Interest rate risk.
- 5. The modes of operation.
 - 5.1. Classification of the operation.
 - 5.2. Simple trading operations
 - 5.2.1. Cash.
 - 5.2.2. A term.
 - 5.3. Double sales operations.
 - 5.3.1. Repurchase operations.
 - 5.3.2. simultaneous operations.

4. SHORT-TERM DEBT

In this lesson, there is a detailed discussion of the concepts, characteristics and valuation of the most important short-term fixed-income financial assets, such as Treasury Bills and Corporate Bonds.

- 1. Introduction.
- 2. Treasury Bills.
 - 2.1. Characteristics
 - 2.2. Broadcast auction.
 - 2.3. Interest rates.
 - 2.4. Negotiation modalities.
 - 2.5. Effective rates.
- 3. Commercial paper.
 - 3.1. Characteristics
 - 3.2. Issuance and trading.
 - 3.3. Interest rates.
 - 3.4. Effective rates.
- 4. Promissory notes from the Generalitat Valenciana.



5. MEDIUM AND LONG TERM DEBT

This lesson addresses the study of the characteristics and valuation of public and private debt assets in the medium and long term. Special emphasis is placed on the issuance by auction of bonds and state obligations and their subsequent negotiation.

1. Bond issues:
 - 1.1. Definition and notation.
 - 1.2. Classification and modalities of issuance.
2. Treasury Bonds and notes.
 - 2.1. Characteristics
 - 2.2. Broadcast auction.
 - 2.3. Interest rates.
 - 2.4. Negotiation modalities.
 - 2.5. Effective rates.
 - 2.6. Separate Trading of Interest and Principal (STRIPs).

6. INTEREST RATE RISK

This lesson is intended for the analysis of interest risk. Bearing in mind that there is the possibility of unanticipated changes in interest rates, the objective is to analyse the consequences that this entails in the management of fixed-income portfolios.

1. The valuation of financial operations and interest rates
2. The price risk
 - 2.1. Concept
 - 2.2. Duration and convexity
3. The risk of reinvestment and financial immunisation
4. The temporary structure of interest rates
 - 4.1. Definition
 - 4.2. Cash and forward types of interest
 - 4.3. Applications and limitations

7. DERIVATIVES ON INTEREST RATES IN OTC MARKETS

This topic explains in detail the main characteristics, use and settlement of interest rate derivative contracts traded in the OTC markets.

1. Interest rate futures and forward rate agreements (FRA)
 - 1.1. Definition and characteristics.
 - 1.2. Settlement.
 - 1.3. Hedging and speculation.
 - 1.4. Arbitrage
 - 1.5. Valuation
2. SWAP contracts.



- 2.1. Description and liquidation.
- 2.2. Hedging and speculation.
- 2.3. Valuation.
- 3. OTC options on interest rates.
 - 3.1. CAP options.
 - 3.2. FLOOR options.
 - 3.3. COLLAR options.

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
Total hours	60,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	0,00
Independent study and work	42,00
Preparation of lessons	23,00
Preparation for assessment activities	15,00
Resolution of case studies	10,00
Total hours	90,00

TEACHING METHODOLOGY

The course has a theoretical-practical character, so the theoretical classes will be complemented with practical classes dedicated to solving exercises that provide the necessary complements for the correct understanding of the content of the theoretical classes. To that end, in addition to the resolution of numerical issues, the aim is to familiarize the student with the terminology, operation and functioning of the Spanish fixed income financial markets, using for this purpose brochures and quotation bulletins supplied by the markets, as well as information published in the press.

The theoretical classes will go to the exhibition by the teacher (master class) of the different topics of the subject. student participation in terms of criticism and debate capacity will be highly valued. Classes to speed and facilitate students' attention, will be made available in the virtual classroom theory annotations topics of the subject.

The practical classes will be devoted to solving exercises and case studies by the teacher and / or student. The statements of problems and cases to solve in practical classes will be available to the student in the virtual classroom.



It is essential for proper monitoring of the subject that students attend class with teaching material (lecture notes, problem statements, press articles, etc.), which will be completed with class explanations and literature.

EVALUATION

A written exam at the end of the semester, which may comprise both theoretical questions and problems and / or actual cases. We will have to overcome a minimum rating of five out of ten in this written exam so that you can add the rest of qualifying.

attendance at various academic activities recommended by the teacher will also be evaluated. Changes in final examination timetables:

Any possible change of date and / or time of the final exam will be governed by the procedure and the terms established in article 9.2 of the "Reglament d'avaluació i qualificació de la Universitat de València per a títols de grau i màster, ACGUV 108/2017".

In particular, in the event of a date and time coincidence between two final exams of the same degree in which the student has enrolled, if it is up to this subject to make the change, a written request must be submitted to the address of the responsible department at least one month in advance from the start of the official examination period. You can send your request electronically to: dep.economia.financera@uv.es from your email address alumni.uv.es. An email sent from a private address will not be accepted, only emails sent from the institutional address (alumni.uv.es) will be accepted.

To be allowed to take the additional exam, the student must justify that he / she has taken the coincident exam previously.

Academic fraud:

Exams will be regulated by Article 13 on examination fraud of the "Reglament d'avaluació i qualificació de la Universitat de València per a títols de grau i màster, ACGUV 108/2017". Additionally, all the assessment tasks and homework will be subject to the regulation on plagiarism detailed in Article 15.2 of the same regulation.

Furthermore, students are reminded that the completion of assignments and assessment tests will also be subject to the new "Action protocol for fraudulent practices at the University of Valencia" (ACGUV 123/2020). In particular, according to this regulation:

Fraudulent practices are considered, among others: refusing to be identified or introducing unauthorized material during a test, as well as plagiarizing works (that is, copying, even partially, other people's works without citing their origin).
2. At the beginning of an exam, the teaching staff will inform about the material and objects that it is strictly forbidden to use. In any case, students are not allowed to have at their disposal, during an evaluation test, any electronic device unless expressly authorized by the teaching staff.
3. Students must follow the instructions given by the teaching staff and collaborate with them. In the event



of any incident, the teaching staff is considered an authority and their testimony is a privileged means of proof.

Examination regulations:

The regulations of the University of Valencia cited above can be consulted at:

<https://www.uv.es/uvweb/universidad/es/estudios-grado/informacion-academica-administrativa/normativas/normativas-universidad-valencia-1285850677111.html>

To pass the course must obtain a minimum score of 5 out of 10.

Only if the test synthesis is overcome, the final mark of the course will be the weighted sum of such evidence synthesis and continuous assessment and practical activities.

REFERENCES

Basic:

- Calvo, A., Parejo, J.A., Rodriguez, L. y Cuervo, A. (2016): Manual del sistema financiero español. Editorial Ariel, Barcelona.
- Meneu, V.; Jordá, M.P. y Barreira, M.T. (1994): Operaciones Financieras en el mercado español, Editorial Ariel Economía, Barcelona.
- Meneu, V.; E. Navarro y M.T. Barreira (1992): Análisis y Gestión del riesgo de interés, Editorial Ariel Economía, Barcelona.
- Navarro, E. (2019): Matemáticas de las operaciones financieras. Pirámide.
- Navarro, E. y J. Nave (2001): Fundamentos de matemáticas financieras, Antoni Bosch.
- Palomo, R.J. y Mateu, J.L. (2004): Productos Financieros y Operaciones de Inversión. Instituto Superior de Técnicas y Prácticas Bancarias.
- Sebastián, A. y López-Pascual, J. (2014): Economía y gestión bancaria. Ediciones Pirámide..
- Vilariño, A.; J. Pérez y F. García (2008): Derivados. Valor Razonable, Riesgos y Contabilidad. Teoría y casos prácticos. Ed. Pearson Educación.

Additional



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- Analistas Financieros Internacionales AFI (2024). Guía del Sistema Financiero Español. 9ª Edición. Ediciones Empresa Global, Madrid.
 - Campuzano, A.B., Conlledo, F. y Palomo, R. (2017). Los mercados financieros. 2ª Edición. Ediciones Tirant Lo Blanch, Valencia..
 - Hull, J. C. (1996, 2002 ó 2009), Introducción a los mercados de futuros y opciones, Prentice Hall.
 - Knop, R. (2005): Manual de Instrumentos Derivados, Biblioteca de Economía y Finanzas, 13, Ediciones Empresa Global, Madrid.
 - Losada, R. (2009), Agencias de rating: hacia una nueva regulación. Monografía de la CNMV.
 - CIRCULAR DE BANCO DE ESPAÑA nº 8/1990, de 7 de septiembre sobre: Transparencia de las operaciones y protección de la clientela. (Texto actualizado)
 - DE LA FUENTE, D. (2008): Operaciones bancarias. Editorial Universitaria Ramón Areces.
 - KNOP, R.; DE CASTRO, M. Y FERNÁNDEZ, J.M. (2006): Manual de instrumentos de renta fija. Ariel Economía.