

Course unit code	
Course unit title	Governance of financial institutions and markets in the EU

GENERAL INFORMATION			
Study program	Financial management/graduate studies		Year 2.
Director of the course and assistant	Marta Božina Beroš, PhD, Assistant Professor		
Course status	X	Mandatory	Elective
Credits allocated and type of lectures			
		Winter semester	Summer semester
ECTS students workload		7,5	
Number of hours per semester		75 (3L+2S)	

Course objectives, teaching and learning methods and learning outcomes

This course familiarizes students with the governance of financial institutions and markets in the EU through various regulatory and financial policies; with their activities across Member States; with the theoretical and practical problems arising from their regulation; with the theory of financial regulation and core models of supervision that are implemented at Member State level. Students will learn how the choice of national financial system models (bank oriented v. market oriented), as well as the choice of the regulatory and supervisory arrangement the systems are subject to, affect overall financial stability in the EU. In addition, the course will examine complex financial assets and financial transactions that are nowadays widely used across the EU as an “efficient tool of risk management”. Special consideration will be given to the ongoing reform in the area of the Single Market and regulation of financial services, which emerged in the aftermath of the crisis.

After completing the course a student should be able to:

1. Assess the main theoretical and practical differences between various financial institutions active on the EU financial markets
2. Understand the legal structure of complex financial assets and transactions, as well as their economic functions in the markets and the effect on overall financial stability in the EU
3. Critically examine the relation between the structure of a national financial system and supranational financial stability

Requirements, correspondence and correlativity

This course is closely related to the following university subjects:

- Queen Mary University of London, Depart. of Economics (*Financial Markets and Institutions*)
- Università di Bologna, Facoltà di Economia (*Capital Markets Regulation, European Economics, Economia degli intermediari finanziari, Economia dei mercati finanziari*)
- London School of Economics and Political Science, Depart. of Economics (*European Economic Policy*)
- Univerza v Ljubljani, Ekonomska fakulteta (*EU Economics and Slovenia, Finančni institucije in trgi*)

Course content (list of topics)

The following outline presents some key lectures:

- Financial systems in general
- Bank oriented v. market oriented economies (comparative overview of the EU/USA/JP)
- Economic and monetary integration in the EU (political, institutional and economic aspect)

- Consequences of financial integration
- EU financial markets
- Money market, capital market
- Bond market, Equity
- Financial derivatives
- Financial institutions in the EU (MFIs, OFIs)
- Alternative investments (hedge funds, private equity)
- Regulation of financial services in the EU
- Role of the ECB in financial stability

Modes of instruction and acquiring knowledge (mark in bold)

Lectures	Seminars and workshops	Exercises	Individual tasks	Multimedia and internet
Distance learning	Counseling	Laboratory	Tutorial	Fieldwork

Student requirements

Student requirements

During the semester, the students have to obtain a minimum percentage **in every of the above mentioned segments**. During the semester students **have to write a seminar paper (report) and a short essay** which they present in class (subject of both written papers are determined by the course lecturer). There is **one colloquia** during the semester. At the end of the semester students may stand **final examination (oral exam)** only if they have achieved a minimum of 20% of the overall grade.

The final grade is the sum of the results of the colloquia, seminar paper, essay and the final exam.

The seminar paper (report) with a max. of 20% in the final grade, is valued according to the following scheme:

Report not written	0%
Technical appearance	1 – 5%
Subject coverage	1 – 5%
Presentation	1 – 5%
Discussion	1 – 5%

The essay is valued according to the following scheme:

Essay not written	0%
Structure and contents	1 – 5%
Hypothesis	1 – 5%
Familiarity with subject and relevant literature	1 – 5%
Argumentation	1 – 5%
Conclusion	1 – 5%

The colloquia is valued according to the following scheme:

Less than 50% of correct answers	=	0% grade
51% to 60%	=	5% grade
61% to 70%	=	10% grade
71% to 80%	=	15% grade
81% to 90%	=	20% grade
91% to 100%	=	25% grade

Final exam (oral exam) assesses the knowledge of the course subject.

It is valued according to the following scheme:

Less than 50% of correct answers	=	0% grade
51% to 60%	=	6% grade
61% to 70%	=	12% grade
71% to 80%	=	18% grade
81% to 90%	=	24% grade
91% to 100%	=	30% grade

Assessment and evaluation of students (mark in bold)

Attendance	Class participation	Seminar paper	Experimental work
Written exam	Oral exam	Essay	Research
Project	Continuous assessment	Report	Practical work

Assessment breakdown within the *European credit transfer system*

REQUIREMENTS	HOURS (estimation)	LEARNING OUTCOMES	SHARE IN ECTS	SHARE IN GRADE
Report	20	1 – 3	1,5	Maximum 20%
Continuous evaluation (Colloquia)	25	1 – 3	1,875	Maximum 25%
Continuous evaluation (Essay)	25	1 – 3	1,875	Maximum 25%
Final exam	28	1 – 3	2,25	Maximum 30%

Bibliography**Mandatory bibliography**

De Haan, J., Oosterloo, S., Schoemaker, D.: *European Financial Markets and Institutions*, Cambridge University Press, 2009.

De Grauwe, P.: *Economics of Monetary Union*, Oxford University Press, 2009.

Freixas, X., Hartmann, P., Mayer, C.: *Handbook of European Financial Markets and Institutions*, Oxford University Press, 2008. (odabrana poglavlja)

McCormick, J.: *Understanding the EU: A Concise Introduction*, 2nd edition, Palgrave Macmillan, 2002.

Additional bibliography

other publications: ECB, Bank of England, Bank of Italy, Bank of Finland, Deutsche Bundesbank
regulations: EU law

Additional information on the course**Academic honesty**

Students have to abide the principles of academic honesty provided by the Ethical code of the University (document available at: www.unipu.hr).

Communication with the course lecturer

Official consultations are available for the communication with the course lecturer outside the class.

Course information

For educational purpose, PowerPoint presentations (and additional material) are made available through the E-learning web-page. The web-page is secured by a password which will be made available to students at the beginning of the semester.

Written papers

It is very important to follow the guidelines regarding seminar papers. Directions are available through the E-learning web-page. Before turning in the report it is customary that the student consults with the course lecturer regarding the paper's appropriateness. It is also important to consult the course lecturer about relevant literature and other issues crucial for the content of the report. Correct grammar is an absolute priority. Plagiarism won't be tolerated.