



University of Prizren “Ukshin Hoti”
Faculty of Economics
Program: International Management

SYLLABUS							
Level of studies	Bachelor	Program	International Management			Academic year	2017/18
SUBJECT		Fundamentals of Finance					
Year	II	The status of Subject	Obligatory	Code		ECTS credits	5
Semester	III						
Teaching weeks		15		Teaching classes		Lectures	Exercises
						3	1
Teaching Methodology		Lectures, exercises, case studies, exams, assignments					
Consultation							
The teacher		Prof. Ass. Dr. Florije Govori		e-mail		florije.govori@uni-prizren.com	
				Tel.		044 111 760	
Assistant		/		e-mail		/	
				Tel.		/	
The purpose of the course				Expected learning outcomes			
<p>This course deals with basic concepts in finance, money, simple and compound interest, time value of money, risk and return, financial institutions, financial instruments, financial derivatives, valuation of securities, financing methods.</p> <p>This course aims to help: understanding the main concepts in finance; solving problems related to the time value of money; choice of opportunities and forms of financing the economic activity of company. The course enables students to develop skills in the use of technical instruments for valuating financial risk and return from investment in viable and profitable projects.</p>				<p>After completing the course the student will be able to:</p> <ul style="list-style-type: none"> • To explain the basic concepts in finance, the time value of money, risk and return; • To evaluate the investment risk; • To classify financial institutions depending on their functions and positioning on financial markets; • To know the financial instruments, types and they functions; • To know how to apply the valuation models of securities in the money markets, capital markets and derivative markets; • To identify the sources of business financing and influencing factors in the relative proportion between funding sources. 			
Methodology for the implementation of educational topics:							
Lectures, exercises, interactive approaches, consultations, seminars.							

Conditions for realization of educational topics:			
Hall with the possibility of obscuring, computer and projector.			
<ul style="list-style-type: none"> Methods of evaluation and passing criterions 			
Students are evaluated through testing, whereas the final grade consists of four components: - Attendance and activity classes: 0-10 points - intermediary exam: 0 – 20 points - Individual and group work in assignments and case studies: 0 – 10 points - Final exam: 0- 60 points <ul style="list-style-type: none"> Exam: 100 points 	Evaluation in%	Final grade	
	91 - 100	10	(ECTS – A)
	81 – 90	9	(ECTS - B)
	71 – 80	8	(ECTS - C)
	61 – 70	7	(ETCS - D)
	51 – 60	6	(ETCS - E)
	40 - 50	5*	(ETCS – FX)
Obligations of the student:			
Lectures		Exercises	
<ul style="list-style-type: none"> - Attending lectures, - Participation in debates, - Adhering to the code of courtesy, etc. 		<ul style="list-style-type: none"> - Attending of hours of exercise - Adhering to the code of courtesy, etc. 	
Student’s workload for the subject			
Activity	classes	Days / Week	Total:
Lectures	2	15	30
Practical work (Internship)	2	15	30
Consultation with teachers			
Field work visits	1	15	15
Seminars	2	15	30
Own study time	3	15	45
Preparation for final exam	2	10	20
Time spent on assessment (tests, exams, etc.)	2	2	4
Projects, presentations, etc.	1	6	5
Note: 1 ECTS credit = 30 hours of commitments		In total:	180

Week	Lecture		Exercises	
	Topic	classes	Topic	classes
1.	Introductory concepts <ul style="list-style-type: none"> • Science on finance • Three areas of finance • Personal Finances • Business Finances • Public finances 		Discussion on personal finances, business finances and public finances.	
2.	Time value of money <ul style="list-style-type: none"> • Present value • Future value • Present value of an ordinary annuity • Future value of an ordinary annuity 		Mathematical models for calculating the time value of money	

3.	<p>Risk and Return</p> <ul style="list-style-type: none"> • Definition of risk • Types of risk • Risk sources 		<p>Discussions and examples related to risk sources</p>	
4.	<p>Risk measurement</p> <ul style="list-style-type: none"> • Distribution of probabilities • Beta coefficient 		<p>Application of mathematical models for risk measurement.</p>	
5.	<p>Financial institutions</p> <ul style="list-style-type: none"> • Depositional Institutions • Institutional Investors • Securities Market Institutions 		<p>Discussion on financial institutions in Kosovo.</p>	
6.	<p>Financial Instruments</p> <ul style="list-style-type: none"> • Money Market Securities • Capital Market Securities 		<p>Securities in Kosovo.</p>	
7.	<p>Financing Methods</p> <ul style="list-style-type: none"> • Issuance of securities • Bank loan, etc. 		<p>Business financing in Kosovo.</p>	
8.	<p>Bonds</p> <ul style="list-style-type: none"> • Types of bonds 		<p>Discussion Bonds in Kosovo?</p>	
9.	<p>Stocks</p> <p>Preferred stocks</p> <p>Ordinary stocks</p>		<p>Discussion Stocks in Kosovo</p>	
10.	<p>Valuation of stocks</p> <p>Mathematical model of valuation</p>		<p>Valuation of stocks</p>	
11.	<p>Valuation of bonds</p> <p>Mathematical model of valuation</p>		<p>Valuation of bonds</p>	
12.	<p>Derivatives</p> <ul style="list-style-type: none"> • Futures contracts. • Options. • Warrants. • Rights. 		<p>Discussion about the benefits and losses on the use of derivatives.</p>	
13.	<p>Valuation of derivatives</p>		<p>Valuation of derivatives</p>	
14.	<p>Financial markets</p> <ul style="list-style-type: none"> • Intermediary institutions in financial markets. 		<p>Financial market in Kosovo</p>	

15.	Capital Market and Money Market <ul style="list-style-type: none"> • The functions of the capital market • The functions of the money market. 		Case study on capital market and money market business.	
LITERATURE				
<p>1. Fadil Govori: <i>Financë</i>, IMF, Prishtinë, 2010</p> <p>2. Herbert B. Mayo: <i>Financa</i>, LU Tiranë, 1995</p> <p>3. Mishkin, Frederick: <i>The Economics of Money, Banking, and Financial Markets</i>, 8th edition, Pearson Addison Wesley.</p>				
Note:				
<ul style="list-style-type: none"> • At the end of each class, students will engage in assignments related to the topic taught. The results achieved should be presented and discussed by students in the coming class. 				