

## Faculty of Economics and Political Science

### Stock Markets

#### Information :

**Course Code :** ECO 305

**Level :** Undergraduate

**Course Hours :** 3.00- Hours

**Department :** Department of Economics

#### Area Of Study :

This course is designed to provide students with a clear image about the stock market performance in an applicable way. It differentiates between the primary and secondary market, defines different basic concepts (stocks, bonds, mutual funds and their types and the global depository receipts "GDRs" by a special emphasis on the arbitrage concept). It provides some sort of fundamental and technical analysis that assist in taking an investment decision and creating portfolios by applying on Meta stock program. Moreover, it introduces the concept of short selling and margin trading.

#### Course Goals:

- ✓ Provide an overview of the theoretical and empirical introduction to selected issues in stock markets
- ✓ Discuss evidence, operations, risks and returns facing investors in the Stock Market.
- ✓ Defining basic concepts (Stocks, Bonds, Mutual Funds and GDRs knowing their types.
- ✓ Differentiate between fundamental and technical analysis.
- ✓ Examine the Egyptian Stock market as a case study.

#### Description :

This course is designed to provide students with a clear image about the stock market performance in an applicable way. Differentiating between the primary and secondary market, defining different basic concepts (stocks, bonds, mutual funds and their types and the global depository receipts "GDRs" by a special emphasis on the arbitrage concept). It provides some sort of fundamental and technical analysis that assist in taking an investment decision and creating portfolios by applying on Meta stock program. Moreover it introduces the concept of short selling and margin trading.

#### Course outcomes :

##### **a. Knowledge and Understanding: :**

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|-----|---|
| 1 - | Distinguish between different types of stocks and bonds.                |
| 2 - | Describe the key roles of financial markets.                            |
| 3 - | Explain the valuation methodologies of different financial instruments. |
| 4 - | Differentiate between Fundamental and Technical Analysis.               |

##### **b. Intellectual Skills: :**

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|-----|--|
| 1 - | Analyze forces that determine prices of financial assets.  |
| 2 - | Evaluate the risks faced by banks and non-banking financial institution.                               |
| 3 - | Analyze the domestic influence of fluctuations in national and international stock markets.            |
| 4 - | Evaluate the link between the trends in the global financial markets to the domestic financial system. |

**c. Professional and Practical Skills: :**

1 -	Use the fundamental and technical analysis in investment decision.
2 -	Compute the risks and returns faced by financial institutions and individuals.
3 -	Apply the knowledge taken in a stock market simulation.
4 -	Demonstrate the real situation in the stock exchanges and take the investment decisions.

**d. General and Transferable Skills: :**

1 -	Improve analytical skills and figure out problems.
2 -	Apply Project management techniques and knowing how to take decisions.
3 -	Acquire communication Skills, as well as Critical Thinking.
4 -	Stress on teamwork skills and taking responsibility for one's work.

**Course Topic And Contents :**

Topic	No. of hours	Lecture	Tutorial / Practical
Introductory lecture and course outline Basic Terminologies	3	1	
Primary versus secondary market	3	1	
Types of Stocks and Bonds	3	1	
Stocks Valuation	3	1	
Stock Market Operations and Market indices	3	1	
Fundamental Analysis	3	1	
Mid Term Exam		1	
Technical Analysis	6	2	
Risk and Return and investment approach on equity	6	2	
Portfolio Theory	3	1	
Stock Market in Egypt facing financial crisis.	3	1	
Stock Market Simulation	3	1	
Final Exam		1	

**Teaching And Learning Methodologies :**

Data show and computer in lectures
Demonstration videos
Group discussion
Research Paper

**Course Assessment :**

Methods of assessment	Relative weight %	Week No	Assess What
Course Work (Attendance, Participation, Assignments, Quizzes, Research Paper) D	30.00		To assess understanding and to assess theoretical background of the intellectual and practical skills.
Final Exam	40.00	15	To assess knowledge and intellectual skills.

Midterm Exam	30.00	7	To assess professional skills.
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**Recommended books :**

1. David S. Kidwell and David W. Blackwell, Financial Institutions, Markets, and Money, John Wiley and Sons Canada Limited, 2011.
2. Fredric S. Mishikan, The Economics of Money, Banking, and Financial Market (10th ed.) Update edition, 2013.
3. Larry Harris, Trading and Exchanges: Market Microstructure for Practitioners, Library of Congress, 2003.

**Periodicals :**

1. Andreas Billmeier and Isabella Massa, What Drives Stock Market Development in the Middle East and Central Asia- Institutions, Remittances, or Natural Resources?, IMF Working Paper, 2007.
2. Grant Thornton, Middle East: Towards Innovation and Transparency, Capital Markets Guide, 2008.
3. Ibrahim Onour, The Global Financial Crisis and Equity Markets in Middle East Oil Exporting Countries, 2009.
4. Sherif M. Manzalawy and Kami Rwegasira, The Practice of Earnings Management in the Middle East Emerging Stock Markets: Why and how is it done? A Case Study of Egypt, International Journal of Business and Commerce, Vol. 2, No.10, Jun 2013.

**Web Sites :**

1. <http://www.world-stock-exchanges.net/>
2. Tokyo Stock Exchange: <http://www.tse.or.jp/english/>
3. London Stock Exchange: <http://www.londonstockexchange.com/home/homepage.htm>
4. NASDAQ: <http://www.nasdaq.com/>
5. EFG Hermes: <https://www.hermesonline.com/OTS7/en/default.aspx>