

## CAPITAL MARKETS

### Introduction

Capital Markets is the 1st course in the Investment Curriculum at IESE. A half credit course, it focuses on the foundations of financial markets. It equally intends to introduce one of the most important sources of financing for companies and governments: public markets. A thorough understanding of the basics will be important for any senior manager or aspiring one.

### Objectives

Capital Markets intends to be an introductory course to the most important investment products, their behaviors as well as their environment. No previous knowledge is assumed.

Although a necessity for the people who want to work in Sales and Trading, Corporate Finance, M&A, Research etc., the course targets the MiM community at large. As all of you will hopefully at some stage have to make investment decisions or management decisions scrutinized by shareholders, this course will be a must for all of you.

### Learning Outcomes

RA12. Equip students with learning skills that enable them to continue studying independently and self-directedly.

RA1. Possess and comprehend knowledge that provides a basis or opportunity to generate original ideas in the development and application of concepts, often within a research context.

RA19. Enable students to apply acquired knowledge and solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study.

RA11. Enable students to integrate knowledge and address the complexity of making judgments based on incomplete or limited information, including reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.

RA20. Enable students to communicate their conclusions, along with the knowledge and rationale supporting them, to both specialized and non-specialized audiences clearly and unambiguously.

RA21. Listen, understand, and compare differing viewpoints to develop an objective understanding of a business situation. Communicate in a structured and persuasive manner (Interpersonal communication).

RA13. Work effectively in multicultural teams, assuming project leadership when necessary. Integrate the value of diversity into the team's decision-making and work process (Multicultural teamwork skills).

RA14. Critically evaluate information and the context of a business situation to reach prudent decision-making conclusions (Critical thinking).

RA22. Acquire self-knowledge and self-control necessary to work effectively under pressure in professional environments, understanding others' motivations and the corporate culture (Emotional intelligence).

RA2. Apply well-established ethical criteria in business decision-making, respecting the inherent dignity of each individual and the pursuit of the common good. (Integrity)  
RA15. Develop a proactive mindset open to organizational change to design and promote process improvement initiatives and facilitate adaptability to new organizational cultures (Innovative spirit).  
RA3. Identify relevant data to diagnose a business problem and generate sensible decision alternatives.  
RA17. Manage multidisciplinary approaches for the definition of products and services aimed at strengthening their commercialization (Business development).

## **Content**

The course is divided in three parts: (1) Introduction to investment banking, stock markets and valuation (2) Introduction to fixed income and money markets and (3) Introduction to Derivatives.

## **Instructional Activities**

AF1: Training sessions and meetings with the teacher (classes, seminars, lectures, tutorials, company visits, simulations): 15hrs  
AF2: Individual student work (personal study, preparation of assignments): 39hrs  
AF3: Teamwork (preparation of group assignments and execution of simulations): 4hrs  
AF4: Evaluation tests: 2hrs

## **Evaluation**

The final grade is based on class participation (30%), and team assignments and final exam (70%).

The IESE Business School's Honor Code and Learning Partnership apply to all activities in this course. For individual assignments, unless explicitly stated, you should not interact with anyone else. For deliverables to be done in teams you should interact only with the members of your team.