

**MÁSTER UNIVERSITARIO EN DIRECCIÓN FINANCIERA Y CONTABLE  
DE LA EMPRESA  
(Official Master's Degree in Accounting and Financial  
Management)**

**SUBJECT**

- **Name:** Financial System

Type of subject: compulsory

Credits: 3 ECTS

Hours dedication: 18 hours (in classroom) 60 hours (out classroom)

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**COURSE DESCRIPTION**

**Goals**

- Exogenous corporate risk factors: interest rate and foreign exchange rate.
- Interest rate curve evolution and possible P&L implications: IR VaR.
- Foreign exchange rate curve evolution and possible P&L implications: FX VaR.
- Monetary policy.
- Fiscal policy.
- Macroeconomic factors.
- Political turmoil.
- Other idiosyncratic factors.
- Managing corporate interest rate and foreign exchange rate risks: natural hedging and OTC derivatives.

**Specific Abilities**

CE1. Taking decisions aimed at achieving the company's overall accounting and financial objectives through the application of practical and advanced analysis techniques adapted to the business sector in which it operates.

CE2. Applying expert knowledge to finance and accounting through actual cases, role-play and real practices.

CE3 Developing negotiating and conflict management skills through real situations and practices in order to make socially-responsible business decisions in the accounting and finance field.

CE4 Ensuring the company's overall accounting and financial objectives are achieved through negotiation and balancing of the individual goals of each of the areas involved in the accounting and finance field.

CE5 Carrying out projects in the accounting and finance field in order to have a set of scenarios to make the best decisions.

CE6. Applying specific analytical techniques from the field of finances and accounting with the aim of taking the most appropriate decisions, taking into account the economic context and the company's expectations.

CE7 Designing the ideal accounting and financial framework for the company, taking account of its strategic objectives.

CE8. Managing the company's financial resources effectively and efficiently with the aim of increasing its profits and profitability, in keeping with its overall accounting and financial objectives.

## Methodology

The methodology used in the subject is essentially participatory and is fundamentally based on the discussion of practical cases, explanations based on real-world business experience and case presentations, reading and exercises by the participants. The subject materials must be worked on at home. This will allow sessions to focus on aspects previously discussed and ensure they are essentially practical. Moreover, presentations of cases, exercises and reading materials will be common. The groups/participants that are not presenting will have to submit a written assignment on the completion of their exercise to the professor or hand it in in the subject's global classroom.

## Evaluation criteria

50 % Exam.

50 % Oral presentations and class dynamic assessment.

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

## Total course

Students need to obtain a minimum of 5 in the final exam to pass the course. This condition applies to both the regular exam and the retake exam. The final course grade of students that do not obtain a **minimum of 5 in the exam** will have a retake exam opportunity that will be programmed in accordance with the academic calendar. If a student has to retake the exam, his **maximal grade for the course will be a 5**.

Students are required to **attend 80% of classes**. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

Plagiarism is to use another's work and to present it as one's own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any

UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

## Contents

- Exogenous corporate risk factors: commodities, credit, interest rate and foreign exchange rate.
- The P&L and Montecarlo: introduction.
- Monetary policy
  - Introduction.
  - The heterodox toolkit.
  - The Fed.
  - The ECB.
  - Japanification.
- Fiscal policy
  - Introduction.
  - The US CARES Act and beyond.
  - The NextGeneration EU Fund.
- Macroeconomic indicators.
- Geopolitics: The Trump factor.
- Covid-19 and financial markets.
- The money market
  - Introduction.
  - Money market spot securities.
  - Money market OTC derivatives.
- The bond market
  - Introduction.
  - Fixed income spot securities.
  - Fixed income OTC derivatives.
  - The interest rate curve.
- The foreign exchange market
  - Introduction.
  - FX spot rate.
  - FX OTC derivatives.
  - The FX rate curve.

## Reading Materials/ Bibliography/Resources

Fed statements, press conferences and speeches: <https://www.federalreserve.gov>

ECB statements, press conferences and speeches: <https://www.ecb.europa.eu>

Economics of Money, Banking and Financial Markets, the 11th Edition  
Frederic Mishkin, Columbia University  
Pearson Education, ISBN-13: 9780133836790.

The Trader's Guide to Key Economic Indicators, 3rd Edition  
Richard Yamarone  
Wiley, ISBN: 978-1-118-07400-8

The Repo Handbook  
Moorad Choudhry, Securities Institute  
Butterworth – Heinemann, ISBN-13: 978-0080971841

Fixed-Income Securities: Valuation, Risk Management and Portfolio Strategies  
Lionel Martellini, Philippe Priaulet, Stéphane Priaulet  
Wiley, ISBN: 978-0-470-85277-4

Options, Futures, and Other Derivatives, 9th Edition  
John C. Hull, University of Toronto  
Pearson, ISBN-13: 9780133456318

An Introduction to Foreign Exchange & Money Markets (Reuters Financial Training Series) 1st Edition  
UK Reuters Limited, London  
Wiley, ISBN-13: 978-0471831280

### **Bio of Professor**

Since 2012, Raül has been working as an independent FX corporate consultant. He also teaches finance at several universities and business schools. He has a PhD and a CIIA diploma.