

Syllabus

for course at advanced level

Financial Market Structure
Finansiell marknadsstruktur

**7.5 Higher Education
Credits**
7.5 ECTS credits

Course code:	FE5134
Valid from:	Spring 2023
Date of approval:	2022-09-28
Department	Stockholm Business School
Main field:	Finance
Specialisation:	A1N - Second cycle, has only first-cycle course/s as entry requirements

Decision

The syllabus is established by the head of Stockholm Business School, Stockholm University.

Prerequisites and special admittance requirements

60 cr business administration and 30 cr economics or 60 cr economics and 30 cr business administration. In addition 7,5 cr mathematics and 7,5 cr statistics and English 6.

Course structure

Examination code	Name	Higher Education Credits
5134	Financial Market Structure	7.5

Course content

Financial market structure is about how legislation, technology, and trading rules and traditions influence trading strategies and market quality, such as efficiency and liquidity.

Efficiency and liquidity are often taken for granted in financial economic theory, but in reality, they vary considerably, both over time and across assets (for example stocks, bonds, and derivatives). This course aims to provide students with a basic understanding of how variation in the market structure affects market quality and trading strategies, such as market making, arbitrage, and block trade execution.

The course combines basic theoretical and empirical concepts with current issues in the field. In addition to lectures and seminars based on the textbook and academic articles, the course includes quantitative analysis of high-frequency market data, as well as several guest lectures.

Learning outcomes

The overall aim of the course is to introduce basic theoretical and empirical concepts in market structure, and to provide the students with insights in current issues in market structure research and practice.

Upon successful completion of this course, the student shall be able to:

Knowledge and understanding

1. Demonstrate ability to describe basic concepts that influence trading strategies and the degree of efficiency and liquidity in financial markets.

Skills and abilities

2. Demonstrate ability to apply empirical tools to measure market liquidity, market efficiency, and transaction costs based on financial market data.

Judgement and approach

3. Demonstrate ability to evaluate changes in market structure, financial regulation, and financial technology, with respect to trading strategies, market efficiency, and market liquidity; theoretically as well as empirically.

Education

The teaching consists of lectures and seminars and requires a significant portion of self-study on the part of students.

The course workload is 200 hours, equivalent to 7,5 higher education credits.

The language of instruction is English.

The teaching takes place on campus and online.

For more detailed course information, see the study guide, published on the learning platform when the course commences.

Forms of examination

a) Forms of examination

Assessment for the course will be continuous and is carried throughout the different course activities. Each assessment task is weighted in relation to its importance in the overall assessment of the course. The student's results from the different assessment tasks are added up to a total course score that will then translate into the final grade for the course.

Assessment tasks

The course contains the following weighted assessment tasks:

1. Individually written examination: assesses intended learning outcomes 1–3; constitutes 70% of total course score.
2. Written group assignment: assesses intended learning outcomes 1–3; constitutes 15% of total course score.
3. Active participation in seminars, and individual assignments: assess intended learning outcomes 1 and 3; constitute 15% of total course score.

The examination is conducted in English.

If the student has a certificate from Stockholm University with a recommendation for special support, the examiner has the opportunity to give an adapted test or let the student complete the test in an alternative way.

b) Grading scale

Grading takes place according to a criterion-referenced seven-point grading scale:

- A = Excellent
- B = Very good
- C = Good
- D = Satisfactory
- E = Sufficient
- Fx = Failed, some more work required

F = Failed, much more work required

c) Grading and assessment criteria

Grading criteria

The course's grading criteria are designed as overall assessments, combined qualitative descriptions of what the student is expected to do in order to demonstrate how well the course's learning outcomes are achieved. A higher grade-level presupposes the abilities at lower levels.

A (Excellent)

The student demonstrates ability to evaluate and relate to the content of the course from a comprehensive, critically reflective perspective, as well as to transfer and apply insights in new, meaningful contexts.

B (Very Good)

The student demonstrates ability to, from an overarching and coherent perspective of the field, understand and use concepts to explain how different aspects of the course relate to each other, interconnect and become meaningful.

C (Good)

The student demonstrates ability to discuss the content, tasks and complex issues dealt with in the course from several well-developed but mainly independent perspectives.

D (Satisfactory)

The student demonstrates satisfactory ability to discuss the content, tasks and complex issues dealt with in the course in a way that, albeit in-depth and elaborate, is decidedly one-dimensional.

E (Sufficient)

The student demonstrates sufficient ability to discuss the content, tasks and complex issues dealt with in the course in a way that is decidedly one-dimensional.

Fx (Fail)

The student's knowledge, skills and abilities display minor flaws, overall or in significant parts.

F (Fail)

The student's knowledge, skills and abilities display major flaws, overall or in significant parts.

Assessment criteria

The course's assessment criteria, which serve as support for the assessment of the course's assessment tasks, are announced at the start of the course.

d) Final grade

The course comprises 0–100 course points. A passing grade (A–E) in the course requires that all learning outcomes are met, 50 course points and at least 50 points from assessment task 1.

The scale for the final grade is tied to fixed score intervals: A: 90–100; B: 80–89; C: 70–79; D: 60–69; E: 50–59; Fx: 45–49; F: 0–44. The grades correspond to the total course points a student obtains (over a total of 100) for all the weighted assessment tasks combined as part of the continuous assessment for the course. Current rounding rules are applied (0,5–0,9 course points are rounded up to the nearest higher, full course point).

Each assessment task is awarded 0–100 points. The points from an individual assessment task are multiplied by its percentage weight, constituting its course points. The course points for all assessment tasks are summed up to a total score between 0 and 100 course points. The total score is translated into a corresponding course grade A–F.

All assessment tasks are assessed on a 100-point scale.

The student is responsible for completing the course's assessment tasks and obtaining a passing grade. If a passing grade is not obtained, the student can re-sit assessment task 1, at which the result is added to the course points achieved at the course's other assessment tasks. Acquired course points are forfeited if a passing

grade is not obtained at the re-sit exam.

If 45–49 course points are achieved, a grade Fx is obtained, which can be completed for a grade E. If less than 45 course points are achieved, a grade F is obtained.

A student who does not obtain a passing grade on the regular exam or the re-sit exam loses the course points obtained and is referred to re-register at a later course round.

Re-registration implies that:

- first-time registered students have priority access to the course's group registration;
- a students can re-sit assessment task 1 to obtain a passing grade without attending the course's learning activities or other assessment tasks.

Exemption from an assessment task is granted if the student presents a written certificate (e.g. a medical certificate), whereupon the student may re-sit the assessment task at a later date decided by the head of course, and while maintaining previously acquired course points.

The application for exemption should be submitted to the director of studies immediately after, or during planned absences well before the date when the assessment task is carried out. A granted exemption expires at the end of the immediately following semester.

e) Failed grades

For each course instance, two examination opportunities are normally offered. If during an academic year, a course instance is missing, at least one examination instance is offered.

A student who has received the grade F on an examination twice in a row by one and the same examiner have the right to have another examiner appointed at the next examination, unless there are special reasons to the contrary. The request is made to the director of studies.

A student who has received a grade no lower than E may not undergo a re-examination for higher grades, or complete a previously not completed assessment task to attain a higher grade. A passing grade may not be turned into a failing grade upon the request of a student.

Assessment tasks which are not submitted on time are not assessed.

f) Supplementary assignments

The head of course provides a supplementary assignment for a student who receives the grade Fx. The following applies:

- Shortcomings of an understanding nature can only be assessed against the grade E.
- Simpler deficiencies of a formal nature can be assessed against the entire grading scale.
- As a rule, the assignment must be submitted within a week after the course results have been announced, unless otherwise agreed with the examiner.
- If a complementary task is not completed within this time limit, the course grade Fx is confirmed.

Interim

If the course is discontinued, or its contents are substantially altered, students have the right to be examined according to this syllabus once per semester for three further semesters.

Limitations

This course may not be included in a degree together with a course, taken in Sweden or elsewhere, of identical or partially similar content.

Required reading

Course literature and other teaching materials are specified on the course's webpage no later than two months prior to the course commences.